

PRELIMINARY OFFICIAL STATEMENT DATED MAY 13, 2022

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF WHITEWATER, WISCONSIN (Walworth and Jefferson Counties)

\$8,350,000* WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2022B

BID OPENING: May 19, 2022, 09:30 A.M., C.T.

CONSIDERATION: May 19, 2022, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$8,350,000* Waterworks and Sewer System Revenue Bonds, Series 2022B (the "Bonds") of the City of Whitewater, Wisconsin (the "City") are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of paying the cost of additions, improvements and extensions to the City's Waterworks System and Sewer System (collectively, the "Utility System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues of the Utility System on a parity with other bonds payable from the Utility System. See "THE BONDS - SECURITY" herein. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: June 9, 2022

MATURITY: May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$285,000	2030	\$300,000	2037	\$510,000
2024	460,000	2031	325,000	2038	535,000
2025	370,000	2032	365,000	2039	560,000
2026	360,000	2033	390,000	2040	585,000
2027	285,000	2034	420,000	2041	610,000
2028	215,000	2035	435,000	2042	625,000
2029	235,000	2036	480,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: May 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on May 1, 2031 and thereafter are subject to call for prior optional redemption on May 1, 2030 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$8,245,625.

MAXIMUM BID: \$9,185,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$167,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF WHITEWATER CITY COUNCIL

		<u>Term Expires</u>
Lisa Dawsey Smith	Council President	April 2023
James Allen	Alderman	April 2024
Brienne Brown	Alderman	April 2023
Jill Gerber	Alderman	April 2024
Greg Majkrzak	Alderman	April 2023
Carol McCormick	Alderman	April 2023
Lukas Schreiber	Alderman	April 2024

ADMINISTRATION

Cameron L. Clapper, City Manager
Stephen Hatton, Director of Finance/Administrative Services
Michele R. Smith, City Clerk
Karen Dieter, City Treasurer

PROFESSIONAL SERVICES

Wallace McDonnell, City Attorney, Whitewater, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Whitewater, Wisconsin (the "City") and the issuance of its \$8,350,000* Waterworks and Sewer System Revenue Bonds, Series 2022B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Authorizing Resolution" or "Bond Resolution") to be adopted by the City Council on May 19, 2022.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 9, 2022. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Authorizing Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2031 shall be subject to optional redemption prior to maturity on May 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of paying the cost of additions, improvements and extensions to the City’s Utility System.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$8,350,000	
Transfers from Discharged Bonds Debt Service Reserve Fund	525,638	
Estimated Interest Earning	<u>3,948</u>	
Total Sources		\$8,879,586
Uses		
Estimated Underwriter's Discount	\$104,375	
Costs of Issuance	105,050	
Deposit to Debt Service Reserve Fund	770,077	
Deposit to Project Construction Fund	7,896,810	
Rounding Amount	<u>3,274</u>	
Total Uses		\$8,879,586

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Bond Resolution, which is available upon request from Ehlers.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS of the City but are payable only out of "Net Revenues" that are pledged to the Debt Service Fund provided for in the Authorizing Resolution (the "Special Redemption Fund"). Net Revenues are defined as all revenues of the Utility System derived from any source less current expenses, excluding depreciation, debt service, tax equivalents, and capital expenditures. In the Authorizing Resolution, the City covenants to deposit Net Revenues in the Special Redemption Fund in an amount sufficient to pay principal of and interest on the Prior Bonds (as defined below) and the Bonds and to use the funds in the Special Redemption Fund only for the purpose of paying principal of and interest on the Bonds, the Prior Bonds and any Parity Bonds. The pledge of Net Revenues to the owners of the Bonds is on a parity with that granted to the owners of the Prior Bonds.

Prior Bonds: The City has outstanding its Sewer System Revenue Bonds, Series 2009, dated December 9, 2009, its Sewer System Revenue Bonds, Series 2011, dated July 27, 2011 and its Sewer System Revenue Bonds, Series 2016, dated April 13, 2016 (collectively, the "Prior Bonds"). All Prior Bonds are owned by the State of Wisconsin Clean Water Fund Loan Program. At the time of their issuance, the Prior Bonds were secured solely from the revenues of the City's Sewer System. On April 19, 2022 the City adopted a resolution amending the resolutions authorizing the Prior Bonds to add a pledge of revenues of the Waterworks System so that the Prior Bonds would be payable from the revenues of the Utility System and the Bonds could be issued on a parity with the Prior Bonds. Such amendment will take effect as of the date that the Bonds are issued and the Prior Bonds will be payable, on a parity with the Bonds, from the Net Revenues of the Utility System. The owners of the Prior Bonds consented to the amendment. Other than the Prior Bonds, the City has no other obligations outstanding that are payable from Net Revenues of the Utility System.

Discharge of Other Bonds: The City discharged its obligations with respect to its Waterworks System Revenue Bonds, Series 2011, dated June 7, 2011; its Sewer System Revenue Bonds, Series 2012, dated May 17, 2012; and its Waterworks System Revenue Bonds, Series 2012, dated May 17, 2012 (collectively, the "Discharged Bonds") by authorizing and providing notice of the redemption of such bonds and depositing a sum sufficient with the fiscal agent for such bonds to pay such bonds in full on their respective redemption dates.

Rate Covenant: In the Authorizing Resolution, the City covenants to maintain the Utility System in reasonably good condition and operate the Utility System, and to establish, charge and collect such lawfully established rates and charges for the service rendered by the Utility System, so that in each fiscal year Net Revenues shall not be less than 120% of the debt service due on all outstanding bonds payable from the Net Revenues of the Utility System, including the Bonds and the Prior Bonds.

Additional Bonds Test: The City reserves the right to issue additional bonds payable from the Net Revenues of the Utility System on a parity with the outstanding bonds payable from the Net Revenues of the Utility System ("Parity Bonds"), including the Bonds. No bonds or obligations payable from the Net Revenues of the Utility System may be issued in such a manner as to enjoy priority over the Bonds. Before issuing Parity Bonds, the City must meet one of the two following tests with respect to Net Revenues of the Utility System:

(1) The Net Revenues for the last completed fiscal year preceding the issuance of such additional obligations must have been at least equal to 1.20 times the average combined annual interest and principal requirements on all bonds and any Parity Bonds then outstanding payable from the revenues of the Utility System (other than the bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued for any succeeding fiscal year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the Utility System for the last completed fiscal year which would, in the written opinion of a registered municipal advisor, consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed fiscal year; or

(2) A registered municipal advisor, certified public accountant or consulting professional engineer provides a certificate setting forth for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the gross revenues of the Utility System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such fiscal year the projected Net Revenues will be in an amount not less than 120% of such Maximum Annual Debt Service Requirement.

While the Prior Bonds are outstanding, unless waived by the owners of the Prior Bonds, the City must also meet the conditions set forth in the resolutions authorizing the Prior Bonds before issuing Parity Bonds.

Service to the City: The reasonable cost and value of any service rendered to the City by the Utility System by furnishing waterworks and sewer services for public purposes, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the City in each year shall be in an amount which, together with revenues of the Utility System, will produce Net Revenues equivalent to not less than 1.20 times the annual debt service due on the Bonds, the Prior Bonds and any Parity Bonds. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in the Authorizing Resolution. However, such payment is subject to (a) annual appropriations by the City Council therefor, (b) approval of the Wisconsin Public Service Commission, if necessary and (c) applicable levy limits, if any; and neither this covenant nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Bond Reserve Account: In the Authorizing Resolution, the City covenants and agrees that upon the issuance of the Bonds an amount equal to the "Reserve Requirement" will be on deposit in the Reserve Account and will be maintained therein as additional security for the payment of principal of and interest on the Bonds. Reserve Requirement is defined as an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the proceeds of the Bonds (up to an amount permitted pursuant to Section 148(d)(1) of the Code and Regulations); (b) the maximum annual debt service on the Bonds in a bond year; and (c) 125% of average annual debt service on the Bonds; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account in any bond year. **The Prior Bonds are not secured by the Reserve Account.**

If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any bond year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Bonds and the Parity Bonds secured by the Reserve Account in any bond year.

WATERWORKS AND SEWER SYSTEM REVENUE BONDS OUTSTANDING

Debt service on the Prior Bonds and Bonds is listed on the following page. The debt service coverage ratios included on this page are calculated using 2021 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021, and future Net Revenues may be materially different.

HISTORIC WATERWORKS AND SEWER SYSTEM DEBT SERVICE COVERAGES

The exhibit on the Page 5 presents the three-year historic debt service coverages of the Utility System.

City of Whitewater, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Utility System Revenues
(As of 06/09/2022)

			Sewer System Revenue Bonds Series 2009			Sewer System Revenue Bonds Series 2011			Sewer System Revenue Bonds Series 2016			Waterworks and Sewer System Revenue Bonds Series 2022B			2021 Net Revenue Available for Debt Service**		
Dated	Amount	Maturity	Principal	Interest		Principal	Interest		Principal	Interest		Principal	Interest				
			0	17,809		0	3,889		0	173,853		285,000	658,306		26,170,528	1.08%	4.00
2022			160,175	33,288		32,691	7,386		1,120,941	335,936		1,773,807	696,630		24,396,721	7.78%	1.53
2023			164,836	28,559		33,476	6,592		1,144,481	312,149		1,712,793	664,593		22,683,928	14.26%	1.60
2024			169,633	23,692		34,279	5,779		1,168,515	287,863		1,732,427	612,679		20,951,501	20.80%	1.61
2025			174,569	18,684		35,102	4,947		1,193,054	263,066		1,687,725	570,934		19,263,776	27.18%	1.67
2026			179,649	13,530		35,944	4,094		1,218,108	237,749		1,648,701	530,700		17,615,075	33.42%	1.73
2027			184,877	8,226		36,807	3,221		1,243,688	211,900		1,700,372	490,344		15,914,703	39.84%	1.72
2028			190,257	2,768		37,690	2,327		1,269,806	185,508		1,797,753	447,494		14,116,950	46.64%	1.68
2029						38,595	1,412		1,296,471	158,563		1,660,066	404,908		12,456,883	52.91%	1.83
2030						39,521	474		1,323,697	131,051		1,728,218	363,085		10,728,665	59.45%	1.81
2031									1,351,495	102,961		1,741,495	319,604		8,987,170	66.03%	1.83
2032									1,379,876	74,282		1,799,876	274,514		7,187,294	72.83%	1.82
2033									1,408,854	45,000		1,843,854	227,488		5,343,440	79.80%	1.82
2034									1,438,440	15,104		1,918,440	178,256		3,425,000	87.05%	1.80
2035												510,000	141,988		2,915,000	88.98%	1.81
2036									535,000	119,386		535,000	119,386		2,380,000	91.00%	5.77
2037									560,000	95,290		560,000	95,290		1,820,000	93.12%	5.76
2038									585,000	69,668		585,000	69,668		1,235,000	95.33%	5.77
2039									610,000	42,628		610,000	42,628		625,000	97.64%	5.79
2040									625,000	14,375		625,000	14,375		0	100.00%	5.91
2041																	
			1,223,998	146,557		324,105	40,122		16,557,426	2,534,985		8,350,000	6,912,868		33,368,397		

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using 2021 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021 and future Net Revenues may be materially different.

City of Whitewater, Wisconsin

HISTORIC STATEMENT OF REVENUES AND EXPENSES

The following table shows the historic comparison of Net Revenues and debt service payable from revenues of the Utility System for the three year period ending December 31, 2021.

	Audited 2019	Audited 2020	Audited 2021
Operating Revenues			
Operating Revenues	\$ 5,566,516	\$ 5,786,495	\$ 6,237,641
Total Operating Revenues	5,566,516	5,786,495	6,237,641
Operating Expenses			
Operation and Maintenance	2,698,579	2,909,472	2,791,980
Depreciation	1,350,780	1,673,562	1,721,794
Total Operating Expenses	4,049,359	4,583,034	4,513,774
Operating Income	1,517,157	1,203,461	1,723,867
Plus: Depreciation	1,350,780	1,673,562	1,721,794
Interest Income	93,198	18,500	3,316
Miscellaneous Non-Operating Revenues	55,636	79,483	327,482
Amount Available for Debt Service	3,016,771	2,975,006	3,776,459
Debt Service			
2009 Sewer System Revenue Bonds	193,716	193,655	193,593
2011 Sewer System Revenue Bonds	40,113	40,104	40,095
2012 Sewer System Revenue Bonds*	116,135	119,185	117,185
2016 Sewer System Revenue Bonds	1,513,131	1,512,895	1,512,654
2011 Water System Revenue Bonds*	80,475	83,555	81,475
2012 Water System Revenue Bonds*	68,831	67,594	71,288
Total Debt Service	2,012,401	2,016,988	2,016,290
Debt Service Coverage	1.50	1.47	1.87

* Discharged by the City. See "THE BONDS - SECURITY - Discharge of Other Bonds" herein.

DESCRIPTION OF WATERWORKS SYSTEM

The Waterworks System, established in 1912, is operated by the City Council. The City Council is the policy making body of the Waterworks System, overseeing all projects and programs, reviewing and approving the budget, and determining Waterworks System projects. Waterworks System operations are directed by the Water Superintendent and overseen by the Public Works Director. Operating practices and rates are regulated by the Wisconsin Public Service Commission ("WPSC").

The Waterworks System consists of five wells with electric pumping equipment and a water distribution system. The wells have an actual capacity of 7,362,720 gallons per day. The maximum gallons pumped in any one day during 2021 was 3,006,000 gallons and the minimum gallons pumped in any one day was 576,000 gallons. In addition, the Waterworks System owns two steel elevated storage tanks and one concrete reservoir storage tanks with a total storage capacity of 1,540,000 gallons.

The Waterworks System includes other related appurtenances including 289,951 feet of various types of 2"-16" water mains; 3,791 utility-owned meters; and 602 hydrants.

History of Waterworks Customers

Year	Residential	Commercial	Public Authority ¹	Industrial	Multifamily Residential	Total
2017	3,179	295	119	44	103	3,740
2018	3,147	289	106	40	102	3,684
2019	3,213	315	123	42	107	3,800
2020	3,170	288	87	34	100	3,679
2021	3,173	279	87	34	105	3,678

Source: 2017-2021 WPSC Annual Reports.

History of Waterworks Billings by Customer Type

Year	Residential	Commercial	Industrial	Public Authority ²	Multifamily Residential	Total Billings
2017	\$522,905	\$89,471	\$354,056	\$645,000	\$115,036	\$1,726,468
2018	533,427	88,898	398,998	648,941	114,881	1,785,145
2019	538,479	90,350	440,419	666,216	123,756	1,859,220
2020	582,693	90,906	502,954	669,448	138,808	1,984,809
2021	668,694	107,980	590,759	760,763	160,160	2,288,356

Source: 2017-2021 WPSC Annual Reports.

¹Includes other sales to public authorities, sales to irrigation customers, sales for resale, and interdepartmental sale, etc. but **not** fire protection services.

²Includes all charges, including fire protection services.

History of Waterworks Sales

Year	No. of Customers ¹	Gallons Sold (in 000's) ²	Total Billings ²
2017	3,740	513,064	\$1,726,468
2018	3,684	532,807	1,785,145
2019	3,800	559,970	1,859,220
2020	3,679	554,664	1,984,809
2021	3,678	572,254	2,288,356

Source: 2017-2021 WPSC Annual Reports.

2021 Larger Waterworks Customers

Total 2021 Gallons Sold: 572,254,000

Total 2021 Billings: \$2,288,356

Customer	Gallons Sold	Billings	% of Total Billings
LSP Whitewater L.P. (2 accounts)	285,582,785	\$559,021	24.43%
University (57 accounts)	58,332,789	225,203	9.84%
Twin Oaks WI LLC (1 account)	9,831,090	22,929	1.00%
The City (49 accounts)	2,430,086	22,419	0.98%
Generac (2 accounts)	6,191,552	19,434	0.85%
Fairhaven (7 accounts)	4,949,857	18,399	0.80%
WWUSD (9 accounts)	2,959,130	17,675	0.77%
Bonnie Plants LLC (2 accounts)	5,860,708	15,270	0.67%
University Gardens (7 accounts)	3,457,440	14,312	0.63%
Seville (4 accounts)	3,374,130	11,601	0.51%

¹Does not include fire protection services.

²Includes fire protection services.

Waterworks Rates and Charges

Rates and charges for the Waterworks System are subject to approval by the WPSC. The following water rates have been in effect since August 27, 2020.

Monthly Service Charge:

5/8 inch meter	\$ 8.50	3 inch meter	\$ 61.00
3/4 inch meter	8.50	4 inch meter	95.00
1 inch meter	14.05	6 inch meter	173.00
1 1/4 inch meter	19.15	8 inch meter	265.00
1 1/2 inch meter	24.15	10 inch meter	387.00
2 inch meter	37.00	12 inch meter	510.00

Plus Volume Charge:

Residential		Multifamily Residential/ Commercial	
First 2,000 gallons	\$2.30 per 1,000 gls	First 400,000 gallons	\$2.50 per 1,000 gls
Over 2,000 gallons	\$3.06 per 1,000 gls	Over 400,000 gallons	\$1.90 per 1,000 gls

Plus Public Fire Protection Service:

5/8 inch meter	\$ 8.39	3 inch meter	\$ 126.00
3/4 inch meter	8.39	4 inch meter	210.00
1 inch meter	20.90	6 inch meter	419.00
1 1/4 inch meter	31.00	8 inch meter	671.00
1 1/2 inch meter	41.80	10 inch meter	1,006.00
2 inch meter	67.00	12 inch meter	1,342.00

Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 3% but not less than \$.50 will be added to bills not paid within 20 days of issuance. This one time late payment charge will be applied only to any unpaid balance for the current billing period's usage. Unless payment or satisfactory arrangement for payment is made within the eight days after written notice is given, service may be disconnected pursuant to Chapter PSC 185, Wisconsin Adm. Code.

Due to the spread of COVID-19, on March 22, 2020, Governor Tony Evers issued emergency order #11, temporarily suspending certain provisions of the Wisconsin Administrative Code relating to service rules for electric, natural gas and water public utilities. The WPSC accordingly issued an order stating that water public utilities may not disconnect or refuse service to customers, shall offer customers a deferred payment agreement if the customer is unable to pay a bill in full, and may not assess any fee or charge for late payment during the period of the order. The order was amended several times and expired April 15, 2021.

DESCRIPTION OF THE SEWER SYSTEM

The City owns, operates and maintains the Sewer System and related appurtenances serving customers located entirely within the City. The Sewer System was established in 1982 and is governed by the City Council. The City Council is the policy making body of the Sewer System overseeing all projects, and programs, reviewing and approving the budget, and determining Sewer System projects. Sewer System operations are directed by the Superintendent and Public Works Director.

The wastewater treatment facility consists of the treatment facility and 52 miles of various-sized sewer lines. The treatment facility has an average daily flow capacity of 1.85 million gallons per day and a current usage of 1.5 million gallons per day. The facility rated capacity is 3.65 million gallons per day. The treatment facility has a current projected design life to handle current and future development to at least the year 2036.

History of Usage and Total Billings

Year	Total Usage in Gallons	Total Billings
2017	273,092,611	\$3,316,193
2018	268,272,340	3,260,940
2019	266,763,328	3,666,418
2020	242,995,020	3,752,949
2021	283,587,530	3,895,281

History of Sewer Connections by Customer Type

Year	Residential	Commercial	Industrial	Public Authority	Multifamily	Total
2017	3,059	260	31	65	96	3,511
2018	3,082	255	31	65	97	3,530
2019	3,089	259	33	65	97	3,543
2020	3,084	227	35	66	100	3,512
2021	3,103	262	35	66	100	3,566

2021 Larger Sewer Customers

Total 2021 Gallons Sold 283,587,530

Total 2021 Sewer Billings \$3,895,281

Customer	2021 Usage in Gallons	2021 Total Billings	Percent of Total Sewer Billings
University (57 accounts)	42,141,397	\$505,275	12.97%
Twin Oaks WI LLC (1 account)	9,831,090	118,603	3.04%
Generac (2 accounts)	6,191,552	74,650	1.92%
Fairhaven (7 accounts)	4,791,958	57,456	1.48%
University Gardens	3,457,440	41,891	1.08%
Seville (4 accounts)	3,374,130	40,456	1.04%
Casey's (4 accounts)	2,815,902	33,793	0.87%
DLK Enterprises (1 account)	2,058,860	24,686	0.63%
Fairfield Inn (1 account)	1,816,647	21,782	0.56%
DLK Enterprise (1 account)	1,805,990	21,654	0.56%

Sewer Rates

The City Council establishes rates and charges for the Sewer System. Sewer rates are not subject to approval by the WPSC. The City annually reviews rates as required under City sewer ordinances to determine if adjustments are required. The sewer service charge for any lot, parcel of land, building or premise is based on the quantity and quality of wastewater generated, on debt service related to the Sewer System, and operation, maintenance and replacement costs of the Sewer System. The following sewer rates were adopted on May 21, 2019 and became effective June 27, 2019:

General Service - Metered

Monthly Service Charge

<u>Meter Size</u>	<u>Charge</u>
5/8"	12.75
3/4"	12.75
1"	31.88
1 1/2"	63.75
2"	102.00
3"	191.25
4"	318.75
6"	637.50
8"	1,020.00

Plus Volume Charge: \$11.99 Per 1,000 gallons

RATING

The City currently does not have any Waterworks System and Sewer System revenue debt rated by S&P Global Ratings ("S&P").

The City's Sewer System revenue debt is currently rated "A1" by Moody's Investors Service, Inc. ("Moody's") and the City's Waterworks System revenue debt is currently rated "A1" by Moody's. The City has not applied to Moody's for a rating on the Bonds.

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City's operating data for the year ended December 31, 2016 was filed one day late and the operating data for the year ended December 31, 2019 was filed two days late. The City's operating data filings for the fiscal years ended December 31, 2016, December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020 did not include certain required information. Additionally, the City failed to timely file notices of rating changes in 2020. Except to the extent that the preceding is deemed to be material, in the previous five years the City believes it has not failed to comply in all material respects with its prior undertaking under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the

compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, which permits financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2021 have been audited by Johnson Block & Company, Inc, Middleton, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Utility System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water and sewer service currently provided, the revenues of the Utility System will be affected proportionately.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which distributed \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$242,611. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half to be received in 2022. The City's allocation is \$1,599,038.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

	Walworth County	Jefferson County	Total
2021 Equalized Value	\$702,291,600	\$100,010,900	\$802,302,500
2021 Equalized Value Reduced by Tax Increment Valuation	\$637,229,000	\$68,084,800	\$705,313,800
2021 Assessed Value	\$657,651,199	\$92,912,384	\$750,563,583

2021 EQUALIZED VALUE BY CLASSIFICATION

	2021 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$465,180,100	57.981%
Commercial	277,242,800	34.556%
Manufacturing	45,253,300	5.640%
Agricultural	485,300	0.060%
Undeveloped	970,500	0.121%
Ag Forest	208,100	0.026%
Forest	299,000	0.037%
Other	269,300	0.034%
Personal Property	12,394,100	1.545%
Total	<u>\$802,302,500</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2017	\$656,989,000	\$646,775,000	0.21%
2018	667,702,000	666,391,100	3.03%
2019	688,302,999	696,905,800	4.58%
2020	714,494,599	740,802,400	6.30%
2021	750,563,583	802,302,500	8.30%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value¹	Percent of City's Total Equalized Value
DLK Enterprises Inc.	Commercial/ Residential Real Estate	\$40,887,333	5.10%
Omega Paragon Whitewater LLC	Supply Chain/ Logistics	13,236,587	1.65%
Fairhaven Corp	Senior Residential Housing	11,929,202	1.49%
Individual	Commercial/ Residential Real Estate	9,759,937	1.22%
Generac Power Systems Inc	Manufacturing	9,363,730	1.17%
Bluff Ridge Apartments, LLC	Residential Housing	8,342,867	1.04%
Generac Corporation	Manufacturing	7,871,622	0.98%
WWHP, LLC	Hotel (Fairfield Inn)	6,821,100	0.85%
Land & Water Investments LLC	Residential/ Commercial Real Estate	6,488,944	0.81%
Alleff Partners LLC	Retail (Walmart)	6,040,197	0.75%
Total		\$120,741,519	15.05%

City's Total 2021 Equalized Value² \$802,302,500

Source: The City.

¹Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City.

²Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt	<u>\$22,843,650</u>
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Revenue Debt (see schedules on page 5)

Total revenue debt secured by Utility System revenues (includes the Bonds)*	<u>\$26,455,528</u>
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*Preliminary, subject to change.

¹Outstanding debt is as of the dated date of the Bonds.

City of Whitewater, Wisconsin

Corporate Purpose Bonds

* Approximately 57% of the City's general obligation debt service payments are expected to be paid from the City's property tax levy. The remainder of the debt service payments are expected to

--Continued on next page

City of Whitewater, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes*
(As of 06/09/2022)

Corporate Purpose Bonds
Series 2022A

Dated Amount	Maturity	03/30/2022 \$5,130,000		06/01		Calendar Year Ending
		Principal	Interest	Principal	Interest	
2022		0	0	933,175	244,669	2022
2023		45,000	283,907	1,383,175	742,947	2023
2024		175,000	165,300	1,519,550	586,620	2024
2025		135,000	159,100	1,508,550	542,225	2025
2026		140,000	153,600	1,496,550	501,722	2026
2027		145,000	147,900	1,541,550	458,096	2027
2028		160,000	141,800	1,546,550	416,031	2028
2029		160,000	135,400	1,571,550	372,546	2029
2030		355,000	125,100	1,400,000	321,780	2030
2031		355,000	110,900	1,420,000	276,505	2031
2032		345,000	98,625	1,045,000	232,618	2032
2033		340,000	88,350	1,050,000	202,543	2033
2034		345,000	78,075	1,070,000	172,105	2034
2035		350,000	67,650	1,080,000	141,318	2035
2036		345,000	57,225	1,085,000	110,430	2036
2037		340,000	46,950	1,085,000	79,430	2037
2038		345,000	36,675	620,000	48,380	2038
2039		355,000	26,175	640,000	32,280	2039
2040		350,000	15,600	505,000	17,228	2040
2041		345,000	5,175	345,000	5,175	2041
		5,130,000	1,943,507	22,843,650	5,504,646	
					28,348,296	

*Approximately 57% of the City's general obligation debt service payments are expected to be paid from the City's property tax levy. The remainder of the debt service payments are expected to be made using revenues derived from its tax incremental finance districts, water system, sewer system and storm water system. The actual amount of these offsetting revenues is not guaranteed. Under State law, the City is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

DEBT LIMIT

The constitutional general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$802,302,500
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit*	\$40,115,125
Less: General Obligation Debt	<u>(22,843,650)</u>
Unused Debt Limit	<u><u>\$17,271,475</u></u>

* The City has established guidelines to limit its general obligation debt to 70% of the legal debt limit (3.5% of the current equalized value).

OVERLAPPING DEBT¹

Taxing District	2021 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Jefferson County ⁴	\$8,726,940,700	1.15%	\$24,270,000	\$279,105
Madison Area Technical College District ⁵	104,977,856,204	0.10%	171,190,000	171,190
Gateway Technical College District	56,800,437,642	1.24%	69,810,000	865,644
Whitewater School District	1,756,692,485	45.67%	20,265,000	<u>9,255,026</u>
City's Share of Total Overlapping Debt				<u><u>\$10,570,965</u></u>

¹Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Walworth County currently has no outstanding general obligation debt.

²Includes tax increment valuation.

³Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁴The County anticipates issuing general obligation debt in October 2022 but the exact amount of such borrowing has not yet been determined. Such amount is not included herein.

⁵Includes the \$3,500,000 General Obligation Promissory Notes, Series 2021-22J anticipated to close June 14, 2022.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$802,302,500	Debt/ Per Capita 14,133¹
Total General Obligation Debt	\$22,843,650	2.85%	\$1,616.33
City's Share of Total Overlapping Debt	<u>10,570,965</u>	<u>1.32%</u>	<u>\$747.96</u>
Total	\$33,414,615	4.16%	\$2,364.30

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City is anticipating issuing approximately \$400,000 in general obligation debt for equipment and facility improvements. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

¹Estimated 2021 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Walworth County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2017/18	\$3,157,415	100%	\$6.17
2018/19	3,487,797	100%	6.56
2019/20	3,620,774	100%	6.60
2020/21	3,700,383	100%	6.33
2021/22	3,795,413	In Process	5.96

Jefferson County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2017/18	\$316,385	100%	\$6.17
2018/19	343,506	100%	6.56
2019/20	365,212	100%	6.60
2020/21	379,002	100%	6.33
2021/22	405,521	In Process	5.96

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may

then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. Jefferson County, Walworth County and the City did not adopt such resolutions. The City cannot predict whether any similar legislation may be adopted in the future.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Walworth County

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$12.33	\$4.23	\$6.17	\$22.73
2018/19	12.48	3.91	6.56	22.95
2019/20	12.30	3.77	6.60	22.67
2020/21	11.90	3.60	6.33	21.83
2021/22	11.72	3.34	5.96	21.02

Jefferson County

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$12.46	\$4.31	\$6.17	\$22.94
2018/19	12.58	4.14	6.56	23.28
2019/20	12.38	3.94	6.60	22.92
2020/21	11.96	3.86	6.33	22.15
2021/22	11.81	3.89	5.96	21.66

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

¹The Schools tax rate reflects the composite rate of all local school districts and technical college district.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

With respect to revenue bonds issued pursuant to Section 66.0621, of the Wisconsin Statutes, such as the Bonds, any taxes levied to pay debt service on the Bonds because of a revenue shortfall may be excluded from the levy limits.

THE ISSUER

CITY GOVERNMENT

The City has a City Manager/City Council form of government, with the City Council consisting of seven members elected for staggered two-year terms. The appointed City Manager, City Clerk, City Treasurer and Director of Finance/Administrative Services are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 80 full-time, 17 part-time, and 43 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City may not pay the employees' required contribution. During the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020") and the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$434,659, \$460,645, and \$474,842, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.24 billion. The spread of COVID-19 has previously impacted investment markets and may do so again in the future, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2021, the City reported an asset of \$2,584,182 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.04139238% of the aggregate WRS net pension asset as of December 31, 2020.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 10 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Whitewater Professional Police Association	December 31, 2022
Whitewater Professional Police Supervisors Association	December 31, 2022

OTHER POST EMPLOYMENT BENEFITS

The City allows eligible retirees to remain on the City's group health plan if the retiree pays the full amount of premiums. In addition, the City provides other post-employment benefits ("OPEB") through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2021, the City's portion of contributions to the LRLIF totaled \$1,745. For Fiscal Year 2021, the City reported a liability of \$481,528 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2020 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.087539% of the aggregate LRLIF net OPEB liability as of December 31, 2020.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 11 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of March 31, 2022)

Fund	Total Cash and Investments
General	\$4,634,185
Special Revenue	3,221,910
Capital Projects	3,513,897
Enterprise Funds	7,784,082
Fiduciary Funds	146,221
CDA	931,324
Total Funds on Hand	<u><u>\$20,231,619</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2019	2020	2021
Water			
Total Operating Revenues	\$1,893,995	\$2,023,156	\$ 2,333,135
Less: Operating Expenses	<u>(1,466,324)</u>	<u>(1,715,104)</u>	<u>(1,797,462)</u>
Operating Income	\$427,671	\$308,052	\$ 535,673
Plus: Depreciation	340,617	384,061	413,122
Interest Income	23,722	3,751	618
Miscellaneous Non-Operating Revenue	<u>34,811</u>	<u>79,483</u>	<u>207,785</u>
Revenues Available for Debt Service	<u><u>\$826,821</u></u>	<u><u>\$775,347</u></u>	<u><u>\$ 1,157,198</u></u>
Wastewater			
Total Operating Revenues	\$3,672,521	\$3,763,339	\$ 3,904,506
Less: Operating Expenses	<u>(2,583,035)</u>	<u>(2,867,930)</u>	<u>(2,716,312)</u>
Operating Income	\$1,089,486	\$895,409	\$ 1,188,194
Plus: Depreciation	1,010,163	1,289,501	1,308,672
Interest Income	69,476	14,749	2,698
Miscellaneous Non-Operating Revenue	<u>20,825</u>	<u>0</u>	<u>119,697</u>
Revenues Available for Debt Service	<u><u>\$2,189,950</u></u>	<u><u>\$2,199,659</u></u>	<u><u>\$ 2,619,261</u></u>
Stormwater			
Total Operating Revenues	\$522,526	\$538,428	\$ 542,543
Less: Operating Expenses	<u>(392,506)</u>	<u>(444,524)</u>	<u>(453,711)</u>
Operating Income	\$130,020	\$93,904	\$ 88,832
Plus: Depreciation	70,599	81,918	100,685
Interest Income	2,735	(194)	30
Miscellaneous Non-Operating Revenue	<u>1,686</u>	<u>1,730</u>	<u>1,730</u>
Revenues Available for Debt Service	<u><u>\$205,040</u></u>	<u><u>\$177,358</u></u>	<u><u>\$ 191,277</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2021 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Adopted Budget ¹
Revenues					
Taxes	\$ 2,972,015	\$ 3,182,597	\$ 3,211,448	\$ 3,396,446	\$ 3,422,853
Special assessments	1,069	1,660	1,523	3,308	1,000
Intergovernmental	4,637,393	4,698,839	4,989,271	4,698,015	4,546,205
Licenses and permits	151,520	72,418	49,695	148,817	113,599
Fines and forfeits	398,149	328,694	262,438	295,900	330,356
Public charges for services	85,607	143,299	71,842	68,799	101,035
Interest	137,593	228,984	80,710	6,756	7,755
Miscellaneous general revenues	128,895	111,794	101,960	146,029	50,300
Total Revenues	<u>\$ 8,512,241</u>	<u>\$ 8,768,285</u>	<u>\$ 8,768,887</u>	<u>\$ 8,764,070</u>	<u>\$ 8,573,103</u>
Expenditures					
Current:					
General government	\$ 1,621,287	\$ 1,430,393	\$ 1,561,707	\$ 1,635,537	\$ 1,796,346
Public safety	3,928,312	3,859,325	3,871,290	4,108,309	4,290,875
Public works	1,526,371	1,625,936	1,771,236	1,860,778	1,906,007
Culture, recreation and education	637,557	617,300	635,407	598,205	746,267
Capital outlay	89,960	50,626	151,454	211,688	15,000
Total Expenditures	<u>\$ 7,803,487</u>	<u>\$ 7,583,580</u>	<u>\$ 7,991,094</u>	<u>\$ 8,414,517</u>	<u>\$ 8,754,495</u>
Excess of revenues over (under) expenditures	\$ 708,754	\$ 1,184,705	\$ 777,793	\$ 349,553	\$ (181,392)
Other Financing Sources (Uses)					
Proceeds from Long Term Debt	0	0	11,133	0	1,050,000
Transfers from CDA	12,708	(78,294)	0	0	0
Transfers in	464,915	588,277	378,544	737,531	419,522
Transfers out	(778,784)	(797,316)	(787,850)	(630,917)	(1,288,130)
Total Other Financing Sources (Uses)	<u>\$ (301,161)</u>	<u>\$ (287,333)</u>	<u>(\$398,173)</u>	<u>\$106,614</u>	<u>\$181,392</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 407,593	\$ 897,372	\$ 379,620	\$ 456,167	\$ 0
General Fund Balance January 1	2,388,274	2,795,867	3,693,239	4,072,859	
General Fund Balance December 31	<u>\$ 2,795,867</u>	<u>\$ 3,693,239</u>	<u>\$ 4,072,859</u>	<u>\$ 4,529,026</u>	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$357,975	\$ 341,990	456,330	459,498	
Assigned	838,352	1,383,167	1,539,917	1,765,170	
Unassigned	1,599,540	1,968,082	2,076,612	2,304,358	
Total	<u>\$ 2,795,867</u>	<u>\$ 3,693,239</u>	<u>\$ 4,072,859</u>	<u>\$ 4,529,026</u>	

¹The 2022 budget was adopted on November 16, 2021. The City is in the process of integrating its fire and EMS services in 2022, which is expected to create an additional approximately \$380,000 in expenses above the budgeted amount for 2022. The City expects to bring a referendum to allow it to exceed the levy limits for such expenses in November 2022 (see "LEVY LIMITS" herein). If such referendum does not succeed, the City would expect to pay such additional expenses from its general fund balance.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 14,889 and a current estimated population of 14,133 comprises an area of 9.06 square miles and is located approximately 50 miles Southeast from Madison and 50 miles Southwest of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
University of Wisconsin - Whitewater	Higher education	1,289
Generac Corporation	Gasoline, LP generators and engines	600
Whitewater Unified School District	Elementary and secondary education	300
Universal Electronics, Inc. (UEI)	Contract electronic assembly	275
Fairhaven Corporation	Senior living	250
S&R Egg Farm Inc.	Table egg processing and organic fertilizers	160
Wal-Mart	Retail	150
Weiler & Co. Inc. (Provisur)	Food product machinery manufacturer	150
Schenck Process	Industrial/commercial machinery manufacturer	140
The City	Municipal government and services	140

Source: *ReferenceUSA, written and telephone survey (March 2022), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

BUILDING PERMITS

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	2	9	8	11	1
Valuation	\$349,180	\$1,658,696	\$1,571,000	\$2,137,000	\$260,000
<u>New Multiple Family Buildings</u>					
No. of building permits	7	2	0	2	2
Valuation	\$2,278,000	\$440,000	\$0	\$5,932,000	\$445,000
<u>New Commercial/Industrial</u>					
No. of building permits	7	1	0	2	1
Valuation	\$14,937,907	\$524,679	\$0	\$4,800,000	\$200,000
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	360	55	290	380	83
Valuation	\$20,496,461	\$5,459,652	\$3,842,000	\$20,298,000	\$2,165,000

Source: The City.

¹As of March 31, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census	14,390
2020 U.S. Census	14,889
2021 Estimated Population	14,133
Percent of Change 2010 - 2020	3.47%

Income and Age Statistics

	The City	Walworth County	State of Wisconsin	United States
2020 per capita income	\$19,095	\$34,027	\$34,450	\$35,384
2020 median household income	\$36,211	\$66,034	\$63,293	\$64,994
2020 median family income	\$71,339	\$82,680	\$80,844	\$80,069
2020 median gross rent	\$783	\$899	\$872	\$1,096
2020 median value owner occupied units	\$171,300	\$212,900	\$189,200	\$229,800
2020 median age	21.6 yrs.	40.4 yrs.	39.6 yrs.	38.2 yrs.

	State of Wisconsin	United States
City % of 2020 per capita income	55.43%	53.97%
City % of 2020 median family income	88.24%	89.10%

Housing Statistics

	<u>The City</u>		Percent of Change
	2010	2020	
All Housing Units	5,113	5,445	6.49%

Source: 2000 and 2010 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Walworth County	Walworth County	State of Wisconsin
2018	56,744	2.9%	3.0%
2019	56,215	3.1%	3.2%
2020	53,583	6.1%	6.3%
2021 ¹	56,288	3.6%	3.8%
2022, March ¹	56,033	3.3%	3.3%

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



City of WHITEWATER

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Whitewater
Whitewater, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Whitewater, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Whitewater, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Whitewater, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Whitewater, Wisconsin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Wisconsin Retirement System schedules, and the Local Retiree Life Insurance Fund schedules as identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Whitewater, Wisconsin's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of long-term debt payments but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
April 15, 2022

MANAGEMENT'S DISCUSSION
AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021



CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

The management of the City of Whitewater ("City") offers all persons interested in the financial condition of the City to review this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2021. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained here will focus primarily on the governmental operations of the city.

FINANCIAL HIGHLIGHTS

The City's total net position increased \$3,006,080, or 4.5% from the prior year. The net position for governmental activities increased \$1,783,905, while net position of the business-type activities increased by \$1,222,175. The Community Development Authority ("CDA") a component unit of the city, net position decreased by \$1,008,532.

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2021, by \$69,479,362 (net position). Of this amount, \$3,631,915 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The breakout of the unrestricted net position is \$1,900,725 and \$1,731,190 for governmental and business-type activities, respectively.

As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$5,448,939, a decrease of \$1,056,627 in comparison with the prior year. Approximately 34% of this total, or \$1,827,054 (unassigned fund balance), is available for spending at the government's discretion.

The City's Water Utility had an operating income in 2021 of \$535,673. Unrestricted net position was \$732,038. The Water Utility's total net position increased by \$271,719 to \$11,438,047. The approved Rate of Return is 4.9%. For 2021, the Rate of Return equaled 4.69%. The Utility filed a Simplified Rate Case application with the Wisconsin PSC in April, 2014. The 2014 approved rate factor is 3.0%. The increase was approved and was effective with water usage after June 26, 2014. The Utility did not file a Simplified Rate Case for 2015, 2016, or 2017. A Simplified Rate Case was filed for 2018 and the new rates became effective on June 28, 2018. The City filed an application with the PSC on May 22, 2019 for a Full Rate Case, in which the regulator reviews rates in depth. New rates went into effect August 27, 2020.

The Wastewater Utility had an operating income of \$1,188,194 in 2021. The Utility's total net position increased by \$889,728. A major upgrade to the wastewater treatment plant was completed in early 2019 representing \$24,358 million in plant improvements. In anticipation of this project, Wastewater rates were adjusted in 2015 that increased the average residential user by 31%. No rate adjustments were made in 2017 or 2018. As a result of a Utility Rate Study, Wastewater rates were increased effective June 27, 2019 that increased the average residential user by 18%.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The governmental fund statements tell how general government services like public safety and public works were financed in the short-term as well as what remains for future spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements also include notes that explain some of the information in the financial statements and provide more detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section (Management's Discussion and Analysis) explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position, the difference between the City's assets and deferred outflows and liabilities and deferred inflows of resources, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The government-wide financial statements include not only the City of Whitewater itself (known as the primary government), but also the City of Whitewater Community Development Authority (component unit). The CDA does not issue separate financial statements.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 27 individual governmental funds. Several of the funds are included with the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and the TIF District #4 Fund and the Affordable Housing TIF, all of which are considered to be major funds. Data from the other governmental funds are split between the non-major special revenue funds and the non-major capital project funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains 3 different types of proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Proprietary Funds are the Water, Wastewater, and Stormwater Utilities. The Stormwater Utility was established in the 4th quarter of 2007.

Fiduciary Funds – Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City is a trustee, or fiduciary, for the collection of all property taxes within the City for all taxing jurisdictions including the Whitewater Unified School District, Walworth and Jefferson counties, Gateway and Madison Area Technical College, and the State of Wisconsin. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

The largest portion of the City's (governmental and business-type activities) net position (approximately 85%) represents its investments in capital assets, less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 14,832,135	\$ 14,962,108	\$ 8,490,392	\$ 8,779,350	\$ 23,322,527	\$ 23,741,458
Capital Assets	38,568,016	39,146,208	57,864,236	57,251,338	96,432,252	96,397,566
Total Assets	\$ 53,400,151	\$ 54,108,316	\$ 66,354,628	\$ 66,030,708	\$ 119,754,779	\$ 120,139,024
Deferred Outflows of Resources	\$ 3,702,170	\$ 2,692,710	\$ 727,586	\$ 553,663	\$ 4,429,756	\$ 3,246,373
Non-Current Liabilities	\$ 9,633,509	\$ 12,506,890	\$ 27,954,146	\$ 30,023,495	\$ 37,587,655	\$ 42,530,385
Other Liabilities	1,858,947	1,869,485	3,387,492	2,293,754	5,244,439	4,163,239
Total Liabilities	\$ 11,490,456	\$ 14,376,375	\$ 31,341,638	\$ 32,317,249	\$ 42,832,094	\$ 46,693,624
Deferred Inflows of Resources	\$ 10,985,894	\$ 9,582,585	\$ 963,514	\$ 712,235	\$ 11,949,408	\$ 10,294,820
Net Position:						
Net Investment in Capital Assets	\$ 29,463,819	\$ 27,106,377	\$ 29,890,539	\$ 26,730,420	\$ 59,354,358	\$ 53,836,797
Restricted	3,344,920	2,451,059	3,155,333	3,777,978	6,500,253	6,229,037
Unrestricted	1,817,232	3,284,630	1,731,190	3,046,489	3,548,422	6,331,119
TOTAL NET POSITION	\$ 34,625,971	\$ 32,842,066	\$ 34,777,062	\$ 33,554,887	\$ 69,403,033	\$ 66,396,953
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	\$ 57,102,321	\$ 56,801,026	\$ 67,082,214	\$ 66,584,371	\$ 124,184,535	\$ 123,383,597

NET POSITION: The City's combined net position increased 4.5% between fiscal years 2020 and 2021 to \$69,403,033. 50.1% of the 2021 net position are business-type activities of the City's Water, Wastewater, and Stormwater Utilities. The governmental activities had an increase in net position of \$1,783,905 for the year, while the business-type activities experienced an increase of \$1,222,175.

ASSETS: Governmental Activities: Taxes Receivable increased by \$385,232. Accounts Receivables, and Other Receivables decreased by \$31,181. Due from Other Governmental Units increased by \$69,358. Net Capital Assets decreased by \$578,192 to a total of \$38,568,016. Deferred outflows of resources increased by \$1,009,460 between years due to the reporting for employee pensions and other postemployment benefits.

LIABILITIES: Governmental Activities: Non-Current Liabilities decreased by \$2,873,381 with the pay-off of debt. Deferred inflows of resources increased by \$1,403,309. Due to Component Unit of \$250,000 was paid off in 2021.

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER
CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Combined-Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,205,603	\$ 920,239	\$ 6,780,184	\$ 6,324,923	\$ 7,985,787	\$ 7,245,162
Operating grants and contributions	1,571,142	1,789,770	-	-	1,571,142	1,789,770
Capital grants and contributions	75,221	51,962	210,100	50,529	285,321	102,491
General Revenues:						
Property Taxes	6,197,837	6,100,555	-	-	6,197,837	6,100,555
Other Taxes	260,730	106,845	-	-	260,730	106,845
Intergovernmental	3,733,039	3,942,964	-	-	3,733,039	3,942,964
Investment Income	9,287	98,969	3,346	18,694	12,633	117,663
Miscellaneous	176,781	130,867	329,212	81,213	505,993	212,080
Total Revenues	\$ 13,229,640	\$ 13,142,171	\$ 7,322,842	\$ 6,475,359	\$ 20,552,482	\$ 19,617,530
Expenses:						
General government	\$ 1,613,973	\$ 1,745,433	\$ -	\$ -	\$ 1,613,973	\$ 1,745,433
Public Safety	3,743,250	4,119,426	-	-	3,743,250	4,119,426
Public Works	2,710,809	2,759,700	-	-	2,710,809	2,759,700
Leisure activities	2,435,172	2,259,573	-	-	2,435,172	2,259,573
Conservation and Development	72,871	45,816	-	-	72,871	45,816
Interest and fiscal charges	424,827	459,309	750,651	724,123	1,175,478	1,183,432
Water Utility	-	-	1,797,462	1,715,104	1,797,462	1,715,104
Sewer Utility	-	-	2,716,312	2,867,930	2,716,312	2,867,930
Stormwater Utility	-	-	453,711	444,524	453,711	444,524
Total Expenses	\$ 11,000,902	\$ 11,389,257	\$ 5,718,136	\$ 5,751,681	\$ 16,719,038	\$ 17,140,938
Increases in net position before transfers	\$ 2,228,738	\$ 1,752,914	\$ 1,604,706	\$ 723,678	\$ 3,833,444	\$ 2,476,592
Special items	(730,231)	-	-	-	(730,231)	-
Transfers	285,398	294,294	(382,531)	(371,294)	(97,133)	(77,000)
Increase in net position	\$ 1,783,905	\$ 2,047,208	\$ 1,222,175	\$ 352,384	\$ 3,006,080	\$ 2,399,592
NET Position-January 1	\$ 32,842,066	\$ 30,794,858	\$ 33,554,887	\$ 33,202,503	\$ 66,396,953	\$ 63,997,361
Net Position-December 31	\$ 34,625,971	\$ 32,842,066	\$ 34,777,062	\$ 33,554,887	\$ 69,403,033	\$ 66,396,953

CITY OF WHITEWATER

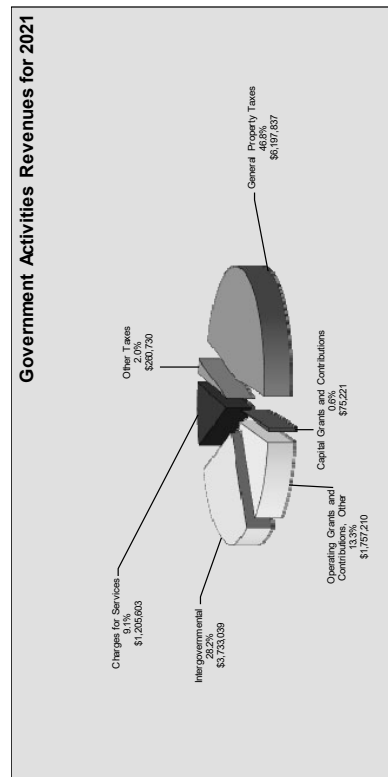
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities

Change in Net Position: The City's 2021 revenues for both governmental and business-type activities total \$20,552,482 and expenses total \$16,719,038. These totals plus transfers and special items resulted in an increase in net position of \$3,006,080. Net position increased by \$1,783,905 for governmental activities. This growth in net position is driven by several factors. First, each year, funds are budgeted to be set aside in special revenue or sinking funds for large or infrequent needs. Secondly, revenues were favorable compared to budget and 164,000 higher than 2020 due, in part, to increased room tax, state intergovernmental funding, and ARPA funding. Expenditures were also below budget and \$388,000 below 2020 levels due primarily to vacancies during the year.

Revenues for the City's governmental activities total \$13,229,640 with intergovernmental revenues (largely state shared-revenues) accounting for 28% (\$3,733,039) of total revenues. Taxes have been broken out into two categories, debt service property taxes and general property taxes. The tax collected for debt service property taxes, which is 7.1% (\$942,883) of total revenues, were collected to pay for the principal and interest due in 2021. General property taxes accounted for 39.4% (\$5,251,485) of governmental revenues in 2021. Charges for services contributed 9% (\$1,205,603) and increased by \$285,364 mainly due to COVID-19 decreasing amounts in 2020; operating grants, other taxes, interest income, contributed 13.9% (\$1,841,159) of the total revenues. Capital grants were \$75,221 of revenues.



Total Revenues = \$13,229,640

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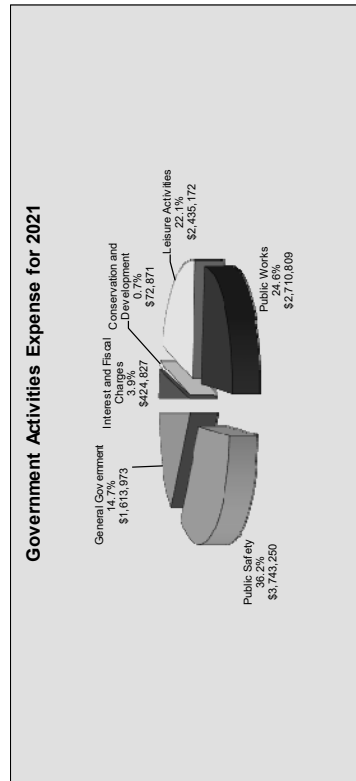
CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

Governmental activities expenditures total \$11,000,902. Public Safety activities amount for 34% (\$3,743,250), or the largest single portion of expenditures. Public Safety includes Police, Fire, Rescue, Crash and Building Inspections. Public Works, General Government and Leisure activities account for 24.6% (\$2,710,809), 14.7% (\$1,613,973), and 22.1% (\$2,435,172), respectively, of total expenditures for 2021. Conservation/Development—0.7% (\$72,871); Interest/Fiscal Charges—3.9% (\$424,827).



Total Expenses = \$11,000,902

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CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

The following table presents the total cost of each of the City's activities as well as their net cost. The net costs are the total costs less fees generated by the activities plus operating and capital grants and contributions. The net cost shows the financial burden placed on City taxpayers or indirect revenue sources by each of these activities. The cost of all governmental activities during 2021 was \$11,000,902. However, the amount paid through the City's property tax was only \$6,197,837. The breakout of property taxes is \$3,136,501 (General Properties); \$942,883 (Debt Service); \$2,118,453 (TIF Districts).

	Cost of Services	Charges for Services, Operating & Capital Grants, Contributions	Net Cost of Services
General Government	\$ 1,613,973	\$ 251,464	\$ 1,362,509
Public Safety	3,743,250	708,901	3,034,349
Public Works	2,710,809	890,999	1,819,810
Culture and Recreation	2,435,172	891,015	1,544,157
Conservation and Development	72,871	185,916	(113,045)
Interest and Fiscal Charges	424,827	-	424,827
Total	\$ 11,000,902	\$ 2,928,295	\$ 8,072,607

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

General Fund – Is the primary operating fund of the City. The General Fund's fund balance increased \$456,167 to \$4,529,026. Of that amount, \$2,304,358, is unassigned, which represents 25.5% of the expenditures and transfers out for calendar/budget year 2021.

Debt Service Fund – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

TIF District #4 – Affordable housing – This fund's purpose is to generate a tax increment to be used to cover the project plan expenditures. TIF 4 closed in 2021 with an extension into 2022 for low-income housing.

Other Capital Projects Fund – Accounts for the acquisition and construction of major capital facilities and projects.

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

WATER, WASTEWATER, AND STORMWATER UTILITY

The **Water Utility** earned a 4.69% return on its rate base in 2021 compared to 2.69% in 2020. The Water Utility's (GAAP Basis) operating revenues increased by \$309,979 to \$2,333,135 and the operating expenses increased by \$82,358 to \$1,797,462. The City had a full year of rate increases in 2021.

The **Wastewater Utility** operating revenue increased by \$141,167 in 2021 to \$3,904,506. Operating expenses decreased by \$151,618 to \$2,716,312. Depreciation of the new plant accounted for the majority of the increase. Wastewater rates were adjusted by 17.6% (average residential user) on June 27, 2019. The increase provided funding for the debt service costs of the wastewater treatment plant project.

The **Stormwater Utility** operating revenues increased by \$4,115 to \$542,543. The operating income was \$88,832 in 2021. The monthly charge is \$6.17 per ERU (Equivalent Runoff Unit), which was increased as of December 29, 2015, to provide funding for the debt service costs of George Street and Center Street reconstruction projects. Most residential properties equal 1.0 ERU.

	Operating Revenues		Operating Expenses		Operating Income (Loss)	
	2021	2020	2021	2020	2021	2020
Water Utility	\$ 2,333,135	2,023,156	\$ 1,797,462	\$ 1,715,104	\$ 535,673	\$ 308,052
Wastewater Utility	3,904,506	3,763,339	2,716,312	2,867,930	1,188,194	895,409
Stormwater Utility	542,543	538,428	453,711	444,524	88,832	93,904

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Governmental Activities	2021	2020	Total Change
Land/Right of Way/Improvements	\$ 9,775,494	\$ 9,775,494	\$ -
Construction in Progress	70,684	-	70,684
Traffic and street lights	1,180,624	1,180,624	-
Buildings and Improvements	14,168,410	13,931,173	237,237
Machinery & Equipment	8,822,892	9,926,891	(1,103,999)
Streets/Sidewalks/Curb & Gutter	30,367,685	30,097,831	269,854
Accumulated depreciation	(25,817,773)	(25,765,805)	(51,968)
Capital Assets,			
Net of Depreciation	\$ 38,568,016	\$ 39,146,208	\$ (578,192)

In the governmental-wide financial statement, fixed assets are accounted for as capital assets. Capital assets are defined as assets with an initial cost of more than \$5,000 for general assets and infrastructure assets. Prior to January 2003, infrastructure assets of the City's governmental activities were not capitalized. The City has retroactively reported significant infrastructure networks acquired by its governmental activities for streets (including curb and gutter) and sidewalks, lighting and easements. The dams were considered to be immaterial to the government-wide financial statements. Storm sewers have been retroactively reported in 2007.

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CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

The City (Primary Government) had capital assets of \$38,568,016 in the governmental activities and \$57,864,236 in the business-type activities for a total of \$96,432,252 at the end of 2021. The largest investment in capital assets was infrastructure, including streets, curb & gutter, sidewalks, storm sewers, sewer mains, sewer laterals, water mains and hydrants. Of the total City of Whitewater capital assets, the governmental activities account for 40.0% and the business-type activities total 60.0%. The business-type activities represent the Water Utility with 25.9% and the Wastewater Utility having 63.2%, and the Stormwater Utility 10.9% of the capital assets.

BUSINESS-TYPE ACTIVITIES			
	2021	2020	Change
Water			
Land and Land Rights	\$ 224,506	6,727	\$ 217,779.00
Source of Supply	705,364	705,364	-
Pumping	939,089	939,089	-
Water Treatment	1,458,742	1,458,742	-
Transmission and Distribution	18,021,260	17,934,789	86,471
General	940,813	845,101	95,712
Construction in Progress	914,894	-	914,894
Less: Accumulated Depreciation	(8,206,072)	(7,830,952)	(375,120)
Net Assets-Water Utility Plant	14,998,596	14,858,860	939,736
Wastewater			
Land and Land Rights	4,498,925	4,498,925	-
Collection System	16,677,554	16,523,966	153,588
Treatment and Disposal	37,645,226	37,820,626	(175,400)
General	1,453,215	1,062,751	390,464
Construction in Progress	99,651	-	99,651
Less: Accumulated Depreciation	(23,838,267)	(22,818,199)	(1,020,068)
Net Assets-Wastewater Utility Plant	34,536,304	37,088,060	(551,756)
Stormwater			
Capital Assets	7,109,740	6,814,742	294,998
Construction in Progress	30,593	-	30,593
Less: Accumulated Depreciation	(810,997)	(710,313)	(100,684)
Net Assets-Stormwater Utility Plant	6,329,336	6,104,429	224,907
Total Utility's Capital Assets	\$ 57,864,236	\$ 57,281,350	\$ 612,878

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CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-term Debt

All general obligation notes and bonds payable are backed by full faith and credit of the City. Notes and bonds payable by the governmental funds will be retired by future property tax levies or TID tax increments accumulated by the Debt Service Fund or from the utility portion of the State Shared Revenues. Business-type activities debt is payable by revenues from user fees of those funds. In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2021, was \$40,115,125. Total general obligation debt outstanding at year end was \$18,098,875, which represents 45.1% of the allowable debt limit.

Comparison of Outstanding Debt by Activity					
	Governmental Activities		Business-type Activities		TOTAL
	2021	2020	2021	2020	
General Obligation					
Bonds and Notes	\$ 9,273,375	\$ 12,039,831	\$ 8,825,500	\$ 9,311,000	\$ 18,098,875
Revenue Bonds/Notes	-	-	20,785,983	22,268,708	20,785,983
Total Outstanding	\$ 9,273,375	\$ 12,039,831	\$ 29,611,483	\$ 31,579,708	\$ 38,884,856
					\$ 43,619,539

The total outstanding **general obligation debt** of \$18,098,875 is distributed:

City-CIP \$9,273,375
Utility (Water/Sewer/Storm) \$8,825,000

	AMOUNTS DUE WITHIN ONE YEAR		
	Governmental Activities	Business-type Activities	Amounts Due Within One Year
General Obligation			
Bonds and Notes	\$ 792,900	\$ 525,500	\$ 1,318,400
Revenue Bonds	-	1,515,456	1,515,456
Totals	\$ 792,900	\$ 2,040,956	\$ 2,833,856

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CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgets are adopted at the function level of expenditures. General Fund revenues and transfers were greater than the final budget by \$346,871. Expenditures, were \$175,961 lower than the final budget of \$7,397,032. General Government was over by \$138,767; Public Safety was under by \$280,099; Culture, Recreation and Education was under by \$65,857. Public Works was over by \$31,228. The actual change in Fund Balance was an increase of \$200,906 to a balance of \$2,688,071. This includes only fund 100 and none of the other assigned general fund balances.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's strategic location between Milwaukee and Madison and the success of the business park, developed by the City of Whitewater under the direction of the Community Development Authority, has contributed to both growth in tax base and population. The City's tax base, currently \$802 million, has shown steady growth over the past two decades. For 2021, the equalized value increased by \$61,580,100.

All recreational fees, fines, licenses, and permits are reviewed on a yearly basis. Solid Waste/Recycling costs are paid by the General Fund and State of Wisconsin grants. For 2021, the monthly cost for one household is \$13.79. The distribution of this cost is \$9.95 for Solid Waste and \$3.84 for Recycling. Solid Waste monthly household fee increased \$0.22 per month and recycling increased \$0.31 per month in 2021.

On April 29, 2020, Moody's updated their credit ratings as follows:

- downgraded the City's General Obligation bonds from AA3 to A1
- upgraded the Sewer Utility's credit rating on outstanding Revenue Debt from A2 to A1
- held unchanged the Water Utility's credit rating on outstanding Revenue Debt at A1.

Moody's rating actions were taken before the City's 2019 Audit was published.

On July 8, 2020, the City issued \$5.195MM in GO Debt. S&P Global rated the issue at A+ Stable.

On March 30, 2022, the City issued \$5.130MM in GO Debt. S&P Global rated the issue at A+ Stable

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money and resources it receives. If you have questions about this report or need additional information, please contact the City of Whitewater, Finance Director, P.O. Box 690, Whitewater, WI 53190.

See accompanying notes to the basic financial statements

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021

Total fund balance, governmental funds	\$	5,448,939
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		38,568,016
The net pension asset (liability) is not a current financial resource and is, therefore, not reported in the fund statements.		2,116,881
The net OPEB asset (liability) is not a current financial obligation and is, therefore, not reported in the fund statements.		(481,528)
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund financial statements.		(1,018,291)
Deferred inflows of resources are reported in the fund financial statement, but are already recognized as earned in the Statement of Position.		91,665
Some liabilities, (such as General Obligation Debt, Long-Term Compensated Absences, and Leases Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Long-term debt current portion	\$	868,621
Long-term debt non-current portion		8,480,475
Unamortized premium on debt		174,309
Compensated absences long-term portion		497,197
Accrued interest		79,109
Net Position of Governmental Activities in the Statement of Net Position	\$	<u>34,625,971</u>
See accompanying notes to the basic financial statements		

Balance Sheet Governmental Funds December 31, 2021					
ASSETS	General Fund	Debt Service	TIF 4	Affordable Housing TIF	Non-Major Governmental Funds
Cash and Cash Equivalents	\$ 5,874,634	\$ -	\$ 3,000	\$ 610,927	\$ 1,538,031
Receivables:					
Taxes	2,771,089	-	-	1,447,713	-
Delinquent Personal Property Taxes	6,717	-	-	-	6,717
Special Assessments	46,628	-	-	-	46,628
Grants	-	-	-	-	2,208
Other	97,545	-	-	-	97,545
Due from Other Governments	-	-	-	-	172,880
Due from Other Funds	96,756	-	-	-	96,756
Due from CDA	71,866	-	-	-	71,866
Prepaid Expenses	39,352	-	-	-	39,352
Advances Receivable	413,429	-	-	-	413,429
Total Assets	\$ 9,418,016	\$ -	\$ 3,000	\$ 2,068,640	\$ 1,713,119
LIABILITIES					
Accounts Payable	\$ 237,105	\$ -	\$ 3,000	\$ -	\$ 11,022
Accrued Liabilities	354,876	-	-	-	33,312
Due to Other Funds	-	2,376	-	-	61,718
Due to Other Governments	43,571	-	-	-	43,571
Advance Payable to CDA	50,000	-	-	-	50,000
Advances Payable	-	-	-	-	413,429
Total Liabilities	685,552	2,376	3,000	-	619,481
DEFERRED INFLOWS OF RESOURCES					
	4,203,438	-	-	2,068,640	171,349
FUND BALANCE					
Nonspendable	459,498	-	-	-	459,498
Restricted	-	-	-	-	1,397,217
Assigned	1,765,170	-	-	-	1,765,170
Unassigned (Deficit)	2,304,358	(2,376)	-	-	(474,928)
Total Fund Balance	4,529,026	(2,376)	-	-	922,889
Total Liabilities, Deferred Inflows and Fund Balance	\$ 9,418,016	\$ -	\$ 3,000	\$ 2,068,640	\$ 1,713,119

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021**

Net change in fund balances - total governmental funds: \$ (1,056,627)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital additions \$1,068,836 were less than depreciation of \$1,655,800 in the current period. (586,964)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports the gain or (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold. 8,772

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This represents revenues which were recorded on the government-wide financial statements in the current year but not yet recognized in the fund financial statements. (407)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. The following is a summary of the debt activity for the year.
Debt repayment - general obligation 2,766,456

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Adjustment for accrued interest not reflected on Governmental Funds 17,502
Adjustment for decrease in compensated absences 56,649
Adjustment for amortization expense not reflected on Governmental Funds 13,447

Pension and OPEB expense reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expense in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as differences between net pension asset/net OPEB liability from the prior year to the current year, with some adjustments.
Change in net position of governmental activities \$ 1,783,905

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General Fund	Debt Service	TIF 4	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 3,126,002	\$ 942,883	\$ 2,008,288	\$ 90,165	\$ 6,167,538
Other Taxes	259,944	-	92,500	-	352,444
Special Assessment Revenue	3,308	-	-	-	3,308
License and Permits	4,698,015	-	93,278	621,412	5,412,705
Fines, Penalties and Forfeitures	148,817	-	-	-	148,817
Public Charges for Services	295,900	-	-	-	295,900
Capital Outlay	68,799	-	-	420,500	489,299
Interest Income	6,756	-	-	1,806	8,562
Miscellaneous Income	146,029	(121)	-	215,243	361,151
Total Revenues	8,764,079	942,762	2,214,066	1,349,744	13,270,652
EXPENDITURES					
General Government	1,635,537	-	-	-	1,635,537
Public Safety	4,108,309	-	-	24,772	4,133,081
Public Works	1,460,778	-	-	139,031	1,599,809
Culture, Recreation and Education	598,205	-	-	1,676,878	2,275,083
Conservation and Development	-	-	3,975	68,140	72,115
Capital Outlay	211,688	-	475	283,602	495,215
Debt Service	-	2,766,456	-	-	2,766,456
Interest Expense	-	312,916	142,859	-	455,775
Total Expenditures	8,414,417	3,079,372	147,309	2,191,273	13,833,071
Excess (Deficiency) of Revenues Over Expenditures	349,553	(2,136,610)	2,066,757	(842,129)	(652,429)
OTHER FINANCING SOURCES (USES)					
Payments to overlying taxing jurisdictions	-	-	(708,262)	(71,335)	(779,597)
Transfers In	737,331	2,090,936	-	630,917	3,459,384
Transfers Out	(630,917)	-	(2,378,236)	(67,669)	(3,076,852)
Transfers from CDA	-	-	175,800	623,133	798,933
Total Other Financing Sources and Uses	106,414	2,090,936	(3,102,436)	462,249	(492,129)
Net Change in Fund Balances	456,167	(45,674)	(1,094,511)	(372,289)	(1,056,627)
Fund Balances (Deficit) - Beginning	4,072,859	43,298	1,094,511	1,294,278	6,505,566
Fund Balances - Ending	\$ 4,529,026	\$ (2,376)	\$ -	\$ 922,289	\$ 5,448,939

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI
Statement of Net Position
Proprietary Funds
December 31, 2021

	Enterprise Funds		
	Water	Wastewater	Stormwater
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,510,676	\$ 1,691,343	\$ (53,873)
Receivables			
Accounts	203,695	371,370	99,791
Other	-	70,680	-
Inventories	22,500	-	-
Total Current Assets	1,736,871	2,133,393	45,918
Restricted Assets:			
Restricted Cash	286,805	3,880,390	-
Net Pension Asset	156,855	217,840	64,851
Total Restricted Assets	443,660	4,098,230	64,851
Capital Assets:			
Construction Work-In-Progress	914,894	99,651	30,593
Land	224,506	4,498,925	-
Utility Plant	22,065,268	55,775,995	7,109,740
Less Accumulated Depreciation	(8,206,072)	(23,838,267)	(810,997)
Net Capital Assets	14,998,596	36,536,304	6,329,336
Total Assets	17,179,127	42,767,927	6,440,105
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	259,644	360,592	107,350
Total Deferred Outflows of Resources	259,644	360,592	107,350
Total Assets and Deferred Outflows of Resources	\$ 17,438,771	\$ 43,128,519	\$ 6,547,455

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI
Statement of Net Position
Proprietary Funds
December 31, 2021

	Enterprise Funds		
	Water	Wastewater	Stormwater
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 587,914	\$ 114,991	\$ 6,728
Accrued Liabilities	13,625	23,550	3,291
Accrued Interest Payable	33,861	92,134	18,584
Due to Other Funds	32,531	-	-
Unearned Grant Advance	232,866	204,168	-
Compensated Absences	3,523	7,766	3,535
Current Portion of Long-Term Debt	351,300	1,554,656	135,000
Total Current Liabilities	1,255,620	1,997,265	167,138
Non-Current Liabilities:			
Long-Term Debt			
Notes Payable	219,100	90,900	270,000
Bonds and Loans Payable	4,025,000	21,630,527	1,335,000
Unamortized Debt Premium	131,666	109,634	27,771
Total Long-Term Debt	4,375,766	21,831,061	1,632,771
Other Liabilities:			
Compensated Absences	25,501	59,095	29,952
Total Other Liabilities	25,501	59,095	29,952
Total Non-Current Liabilities	4,401,267	21,890,156	1,662,723
Total Liabilities	5,656,887	23,887,421	1,829,861
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	343,837	477,518	142,159
Total Deferred Inflows of Resources	343,837	477,518	142,159
NET POSITION			
Net Investment in Capital Assets	10,549,154	14,779,820	4,561,565
Restricted			
Debt	-	127,037	-
Capital	-	2,588,750	-
Pension asset	156,855	217,840	64,851
Unrestricted	732,038	1,050,133	(50,981)
Total Net Position	11,438,047	18,765,580	4,575,435
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 17,438,771	\$ 43,128,519	\$ 6,547,455

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds
For the Year Ended December 31, 2021

	Enterprise Funds		
	Water	Wastewater	Stormwater
OPERATING REVENUES			Total
Charges for Services	\$ 2,333,135	\$ 3,904,506	\$ 6,237,641
Other Operating Revenues	-	-	15,000
Total Operating Revenues	2,333,135	3,904,506	6,252,641
OPERATING EXPENSES			
Operation and Maintenance	1,384,340	1,407,640	3,145,006
Depreciation	413,122	1,308,672	1,822,479
Total Operating Expenses	1,797,462	2,716,312	4,967,485
Operating Income (Loss)	535,673	1,188,194	1,812,699
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	618	2,698	3,346
Miscellaneous Non-Operating Revenues	207,785	119,697	329,212
Interest Expense	(148,945)	(547,042)	(750,651)
Total Non-Operating Revenue (Expenses)	59,458	(426,647)	(418,093)
Income (Loss) Before Contributions and Transfers	595,131	763,547	1,394,606
Capital Contributions	27,068	133,232	210,100
Transfers Out	(350,480)	(7,051)	(382,531)
Change in Net Position	271,719	889,728	1,222,175
Total Net Position - Beginning	11,166,328	17,873,852	33,554,887
Total Net Position - Ending	\$ 11,438,047	\$ 18,763,580	\$ 34,777,062

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Cash Flows

Proprietary Funds
For the Year Ended December 31, 2021

	Water	Wastewater	Stormwater	Totals
Cash Flows From Operating Activities:				2021
Receipts from customers	\$ 2,331,093	\$ 3,893,189	\$ 492,656	\$ 6,716,938
Payments to suppliers	(765,755)	(588,034)	(136,309)	(1,490,098)
Payments to employees	(529,689)	(827,138)	(253,084)	(1,609,911)
Taxes paid	(350,480)	(7,051)	-	(657,531)
Net cash provided (used) by operating activities	685,169	2,470,966	103,263	3,259,398
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of plant assets	(899,159)	(598,845)	(275,792)	(1,773,796)
Principal payments on long-term debt	(331,300)	(1,501,925)	(135,000)	(1,968,225)
Interest paid	(161,753)	(561,845)	(55,024)	(778,622)
Capital grants	427,653	253,185	-	680,838
Net cash provided (used) by capital and related financing activities	(964,559)	(2,409,430)	(465,816)	(3,839,805)
Cash Flows From Investing Activities:				
Interest on investments	618	2,698	30	3,346
Net cash provided (used) by investing activities	618	2,698	30	3,346
Net increase (decrease) in cash and equivalents	(278,772)	64,234	(362,523)	(577,061)
Cash and equivalents - beginning of year	2,076,253	5,507,499	308,650	7,892,402
Cash and equivalents - end of year	\$ 1,797,481	\$ 5,571,733	\$ (53,873)	\$ 7,315,341

See accompanying notes to basic financial statements

City of Whitewater
Whitewater, WI

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water	Wastewater	Stormwater	Totals 2021
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 535,673	\$ 1,188,194	\$ 88,832	\$ 1,812,699
Adjustments to Reconcile Operating Income (Loss):				
Other	-	-	1,730	1,730
Joint meter	24,830	(24,830)	-	-
Cash Provided (Used) by Operating Activities:				
Tax equivalent	(350,480)	(7,051)	-	(357,531)
Amortization	12,998	-	-	12,998
Depreciation	413,122	1,308,672	100,685	1,822,479
Transfer out	-	-	(25,000)	(25,000)
Pension expense	(44,190)	(61,371)	(18,936)	(124,497)
Changes in Assets and Liabilities:				
Customer accounts receivable	(2,042)	(11,317)	(49,887)	(63,246)
Due from/to other funds	7,737	-	-	7,737
Prepayments	10,945	28,994	-	39,939
Accounts payable	103,531	46,062	2,068	151,661
Accrued liabilities	(26,955)	3,613	3,771	(19,571)
Net cash provided (used) by operating activities	\$ 685,169	\$ 2,470,966	\$ 103,263	\$ 3,259,398
Reconciliation of cash and cash equivalents to statement of net position accounts				
Cash and cash equivalents	\$ 1,510,676	\$ 1,691,343	\$ (53,873)	\$ 3,148,146
Restricted Cash	286,805	3,880,390	-	4,167,195
Total cash and investments	\$ 1,797,481	\$ 5,571,733	\$ (53,873)	\$ 7,315,341

See accompanying notes to basic financial statements

City of Whitewater
Whitewater, WI

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 3,622,682
Receivables:	
Taxes Receivable	7,041,780
Total Assets	\$ 10,664,462
LIABILITIES	
Due to Other Funds	\$ 133
Due to Other Governments	10,664,329
Total Liabilities	\$ 10,664,462

See accompanying notes to the basic financial statements

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Tax Custodial Fund
ADDITIONS	
Property tax collections for other governments	\$ 6,710,800
Total additions	6,710,800
DEDUCTIONS	
Payments of taxes to other governments	6,710,800
Total deductions	6,710,800
Net increase (decrease) in fiduciary net position	-
Net position - Beginning	-
Net position - Ending	\$ -

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the City of Whitewater, Wisconsin, conform to generally accepted accounting principles as applicable to governmental units.

A. Reporting Entity

This report includes all of the funds of the City of Whitewater (the "City"). The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

Discretely Presented Component Unit

The government-wide financial statements include the City of Whitewater Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 15. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended 2021. The CDA does not issue separate financial statements.

Excluded Component Unit

The City considered the potential of the Whitewater Volunteer Fire Department (the "Department") as a component unit, but excluded it since the City does not control the Department nor can it access its financial resources. See Note 13.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

- 1. Summary of Significant Accounting Policies (Continued)**
- B. Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements

"Government-wide" financial statements are basic financial statements required for all governmental units. The statement of net position and the statement of activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the government-wide financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

- 1. Summary of Significant Accounting Policies (Continued)**
- B. Government-Wide and Fund Financial Statements (Continued)**

Fund Financial Statements (Continued)

Funds are identified as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds

The City reports the following major governmental funds:

General Fund – Accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – Accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise debt.

Tax Incremental Financing District No. 4 (TIF No. 4) – Transactions of the City's tax incremental districts are accounted for as a capital projects fund. This District was terminated in 2021 and a new Fund was created for affordable housing.

Affordable Housing TIF – Accounts for expenditures related to affordable housing. This District will be funded by the remaining TIF 4 property increment to be collected in 2022.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Major and Non-Major Enterprise Funds

The City reports the following major and non-major enterprise funds:

Enterprise Funds – Used to account for operations (1) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following enterprise funds are included in these statements:

Water Utility – Accounts for the operations of the water system. (Major Fund)
Wastewater Utility – Accounts for the operations of the sewer system. (Major Fund)
Stormwater Utility – Accounts for the operations of the stormwater system (Non-Major Fund)

Non-Major Governmental Funds

The City reports the following non-major governmental funds:

Special Revenue Funds – Used to account for the proceeds of specific revenue sources (other than major capital projects) that is legally restricted to expenditures for specific purposes. Non-major special revenue funds included in these statements are the following:

Cable TV Fund
Library Special Revenue Fund
Taxicab Grant Program Fund
Parkland Acquisition Fund
Parkland Development Fund
Forestry Fund
Rescue Squad Equipment/Education Fund
Parking Permit Fund
Police Department Trust Fund
Parks and Recreation Fund
Field of Dreams Fund
Aquatic Center Fund

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Capital Projects Funds – Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Non-major capital projects funds included in these statements are the following:

Tax Incremental Districts No. 5-14. TIF 5- 9 were terminated in 2021. TIF 10-14 were created in 2021. In addition the Other Capital Projects Fund is a non-major fund.

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) Assets are *not* generated from the *government's own-source revenues* or from government-mandated or voluntary nonexchange transactions, c) Assets are administered through a *qualifying trust* or the government *does not have administrative involvement* and the assets are *not* generated from the *government's delivery of goods or services* to the beneficiaries, or the assets are for the benefit of *entities that are not part of the government's reporting entity*.

The City reports the following fiduciary funds:

Custodial Funds – Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue when earned.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Wastewater Utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, and public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board ("GASB"). The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents/Investments

Investment of City funds is restricted by State statutes. Available investments are limited to:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years.
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- D. Assets, Liabilities, and Net Position or Equity (Continued)
- Cash and Cash Equivalents/Investments (Continued)**

Investment of City funds is restricted by State statutes. Available investments are limited to:

- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- (5) Bonds or securities issued under the authority of the municipality.
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes.
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the City plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority and the Wisconsin Aerospace Authority.

The City has adopted an investment policy. That policy follows the State statute for allowable investments, but does not specifically address the risk described in Note 2.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. See Note 2 for additional information.

Proprietary Cash and Equivalents

For purposes of the proprietary fund statement of cash flows, the City considers all highly liquid investments, with a maturity of less than three months, when purchased, to be cash equivalents. This consists of current cash and investments.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- D. Assets, Liabilities, and Net Position or Equity (Continued)
- Taxes Receivable**

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The City's portion of taxes is recorded as a receivable in the General Fund. The County acts as the collecting agency for all City taxes. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2021 tax roll

Lien date and levy date	December, 2021
Tax Bills mailed	December, 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale – 2021 delinquent	
real estate taxes	October, 2024

Allowance for Uncollectible Accounts

General Fund accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for delinquent Water and Sewer billings because the utilities have the right by law to place delinquent bills on tax roll and other delinquent bills are not significant.

Interfund Transactions

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

- 1. Summary of Significant Accounting Policies (Continued)**
- D. Assets, Liabilities, and Net Position or Equity (Continued)**

Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred inflows of resources for special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Deferred inflows of resources for special assessments, those not subject to collection, are recorded as other liability until such time they are subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by the County and are remitted to the City upon collection by the County. These delinquent installments are financed by the General Fund.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction, operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are also classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

- 1. Summary of Significant Accounting Policies (Continued)**
- D. Assets, Liabilities, and Net Position or Equity (Continued)**

Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. The City has retroactively reported all infrastructure acquired by its governmental fund types.

General Fixed Assets – Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at fair market value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB.

Proprietary Fund Fixed Assets - Assets in the enterprise fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes is capitalized during the period of construction. Net interest cost consists of interest expense on long-term debt proceeds. No interest was capitalized in 2021.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates ranging from 1.0% to 6.0% for the Water Utility and 1.32% for the Wastewater Utility, depending on the various classes of property, in the respective utilities. The Stormwater Utility assets are depreciated straight-line over useful lives ranging from 40-85 years.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- D. Assets, Liabilities, and Net Position or Equity (Continued)

Debt Issuance Costs

Debt issuance costs are recognized in the current period for the government-wide, proprietary, and governmental fund statements.

Deferred charges are recorded in the enterprise fund for extraordinary repairs. Costs are amortized over the estimated life of repair.

Compensated Absences

Governmental Funds

Under terms of employment, employees are granted sick leave and vacations in varying amounts. The entire accumulation is recorded in the statement of net position. See Note 7.

All Funds

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bond payable, and accrued compensated absences.

All short term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as those fund liabilities.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)
- D. Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations/Conduit Debt (Continued)

For the government-wide statements and the proprietary fund statements, bond premiums and discounts amortized over the life of the issue using the straight-line method. Gains or losses on prior refunding are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for both premiums/discounts and gains/losses, as applicable, is shown in the deferred outflows of resources or inflows of resources sections of the balance sheet.

The City had approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is zero.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end requiring accrual.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Equity Classifications (Continued)

Fund Financial Statements

Government fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

1. **Nonspendable** – Resources which cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
2. **Restricted** – Resources with constraints placed on the use of resources are either (1) externally imposed by the creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
3. **Committed** – Resources which are subject to limitations the government imposes upon itself through formal action of the City Council, and that remain binding unless removed in the same manner.
4. **Assigned** – Resources neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the City Council or through the City Council delegating this responsibility to the City Finance Director through the budgetary process.
5. **Unassigned** – Resources which cannot be properly classified in one of the other four categories. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)

E. Utility Rates

Current water rates were approved by the City effective August 27, 2021. Current wastewater rates were approved by the City Council on June 27, 2019 and stormwater rates were approved by the City Council on December 29, 2015.

F. Income Taxes

The City of Whitewater Water, Wastewater, and Stormwater Utilities are municipal utilities. Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded.

G. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2021, the following individual funds held a deficit balance:

Debt Service (deficit)	\$ (2,376)
Aquatic Center (deficit)	(413,428)
TID 10 (deficit)	(18,660)
TID 11 (deficit)	(10,710)
TID 12 (deficit)	(10,710)
TID 13 (deficit)	(10,710)
TID 14 (deficit)	(10,710)

The TIF deficits are anticipated to be replenished with future increments. The Debt Service Fund will be replenished with future tax revenues. The Aquatic Center Fund deficit is financed internally and will be monitored over the next few years.

H. Tax Incremental Financing District

The City has 5 active Tax Incremental Districts (TIF's). TIFs 4-9 were terminated. TIFs 10-14 were created. TIF's are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the City can recover its project costs in the designated district of the City. Those costs are recovered through tax increments, which are placed on the tax rolls. TIF 4 will receive increment into 2022 with the increment ear-marked for affordable housing.

I. Capital Contributions

Capital contributions represent the value of infrastructure contributed or paid by developers for plant. They are recorded as additions to net position in the government-wide statements and proprietary fund statements. These amounts are not subject to repayment.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued)

J. Advances to Other Funds

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

K. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System ("WRS"), and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Post-Employment Benefits

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Deferred Outflows of Resources and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The City has two items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and the LRLIF.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The City has three items that qualify for reporting in the category. The deferred inflows of resources are related to the deferred property tax revenue to be received in 2022, along with the WRS pension system and the LRLIF.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

2. Cash and Investments

As previously discussed, cash for all City funds is pooled for investment purposes. At December 31, 2021, the cash and investments consist of the following:

	Carrying Value	Bank Balance	Associated Risk
Deposits in financial institutions - City	\$ 14,657,162	\$ 14,826,013	Custodial credit risk, interest rate risk
Deposits in financial institutions - CDA	817,674	817,674	Custodial credit risk, interest rate risk
LGIP	4,311,088	4,311,088	Credit risk, interest rate risk
Total Cash and Investments	<u>\$ 19,785,924</u>	<u>\$ 19,954,775</u>	

Reconciliation to financial statements

Per statement of net position

Primary government

Cash and Cash Equivalents \$ 11,174,737

Restricted Cash and Cash Equivalents 4,167,195

Component unit 821,310

Fiduciary Funds

Tax Custodial Fund 3,622,682

Total Cash and Investments \$ 19,785,924

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of December 31, 2021, the Local Government Investment Pool ("LGIP") investments have an average maturity of 61 days and a fair value of \$4,311,088.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

2. Cash and Investments (Continued)

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City has no investment policy that would further limit its investments choices.

The LGIP is part of the State Investment Fund ("SIF"), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

Investment allocation in the LGIP as of December 31, 2021 was: 81% in U.S. Government Securities, 3% in Certificates of Deposit and Bankers' Acceptances and 16% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in the possession of another party.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposit accounts and \$250,000 for demand deposit accounts. Deposits in credit unions are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts, and \$250,000 for all share certificate and regular share accounts.

Bank accounts, credit union accounts, and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual municipalities. This has been considered when determining custodial credit risk.

The City's uninsured deposits in financial institutions are collateralized by various instruments. These include depository bonds and collateralized investments.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

2. Cash and Investments (Continued)

As of December 31, 2021, the City's deposits with financial institutions in excess of federal depository insurance limits that were exposed to custodial credit risk are listed below:

Uninsured and collateralized by depository bond	\$ 5,176,248
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the City's name	\$ 8,841,366
Uninsured and uncollateralized	\$ -

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

3. Receivables

The following accounts receivable amounts are not expected to be collected within one year:

Delinquent personal property taxes	General \$ 6,717
Special assessments	12,237
Total	\$ 18,954

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unearned	Total
Property taxes receivable for subsequent year	\$6,259,575	\$6,259,575
Other items	2,504	2,504
University receivable	91,667	91,667
Tournament fees	3,354	3,354
Total Deferred Inflows of Resources	\$6,357,100	\$6,357,100
For Governmental Funds		

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

4. Restricted Assets

The following represent the balances of the restricted cash and cash equivalents:

Long-Term Debt Accounts

Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The Wastewater Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Clean Water Fund Loan Account

The Wastewater Utility established this account in order to track clean water fund loan proceeds and reimbursements.

Following is a list of the restricted cash and cash equivalents at December 31, 2021:

Restricted Assets	Water Utility	Wastewater Utility	Totals
Redemption account	\$ 9,182	\$ 219,171	\$ 228,353
Reserve account	277,623	1,077,469	1,355,092
Connection account	-	362,708	362,708
DNR Replacement account	-	2,221,042	2,221,042
Total Restricted Assets	\$ 286,805	\$ 3,880,390	\$ 4,167,195

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

5. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2021, was as follows:

	1/1/2021 Beginning Balance	Additions	Deletions	12/31/2021 Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ -	\$ 70,684	\$ -	\$ 70,684
Land	3,054,920	-	-	3,054,920
Right of way	1,879,406	-	-	1,879,406
Land improvements	4,841,168	-	-	4,841,168
Total Capital Assets	9,775,494	70,684	-	9,846,178
Not Being Depreciated				
Capital Assets Being Depreciated				
Land Improvements	990,052	97,237	-	1,087,289
Buildings	12,941,121	140,000	-	13,081,121
Traffic and Street Lights	1,180,624	-	-	1,180,624
Machinery and Equipment	9,926,891	491,061	1,595,060	8,822,892
Streets	28,161,558	269,854	-	28,431,412
Sidewalks	1,110,054	-	-	1,110,054
Curb and Gutter	826,219	-	-	826,219
Total Capital Assets	55,136,519	998,152	1,595,060	54,539,611
Being Depreciated				
Total Accumulated Depreciation	25,765,805	1,655,800	1,603,832	25,817,773
Capital Assets, Net of Depreciation	\$ 39,146,208	\$ (586,964)	\$ (8,772)	\$ 38,568,016

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

5. Capital Assets (Continued)

Depreciation expense for the governmental activities is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital Assets Not Being Depreciated				
Construction in progress	\$ -	\$ 914,894	\$ -	\$ 914,894
Land and land rights	6,727	217,779	-	224,506
Total Capital Assets Not Being Depreciated	6,727	1,132,673	-	1,139,400
Capital Assets Being Depreciated				
Source of supply	705,364	-	-	705,364
Pumping	939,089	-	-	939,089
Water treatment	1,458,742	-	-	1,458,742
Transmission and distribution	17,934,788	150,306	63,834	18,021,260
Administrative and general assets	845,101	102,353	6,641	940,813
Total Capital Assets Being Depreciated	21,883,084	252,659	70,475	22,065,268
Total Capital Assets	21,889,811	1,385,332	70,475	23,204,668
Less: Accumulated depreciation	(7,830,951)	(437,952)	(62,831)	(8,206,072)
Net Capital Assets	\$ 14,058,860	\$ 947,380	\$ 7,644	\$ 14,998,596

Capital asset activity in the business-type activities for the year ended December 31, 2021, was as follows:

Government Activities	
General Government	\$ 167,304
Public Safety	214,097
Public Works, which includes the depreciation of streets (including curb and gutter) and sidewalks	1,034,915
Culture, Recreation and Education	239,484
Total Governmental Activities Depreciation Expense	\$ 1,655,800

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

5. Capital Assets (Continued)

Depreciation expense for the governmental activities is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Wastewater				
Capital Assets Not Being Depreciated				
Construction in progress	\$ -	\$ 99,651	\$ -	\$ 99,651
Land and land rights	4,498,925	-	-	4,498,925
Total Capital Assets Not Being Depreciated	4,498,925	99,651	-	4,598,576
Capital Assets Being Depreciated				
Collection system	16,523,965	153,589	-	16,677,554
Treatment and disposal	37,820,626	-	175,400	37,645,226
General	1,062,752	478,837	88,374	1,453,215
Total Capital Assets Being Depreciated	55,407,343	632,426	263,774	55,775,995
Total Capital Assets	59,906,268	732,077	263,774	60,374,571
Less: Accumulated depreciation	(22,818,199)	(1,283,842)	(263,774)	(23,838,267)
Net Capital Assets	\$ 37,088,069	\$ (551,765)	\$ -	\$ 36,536,304
Stormwater				
Capital Assets Not Being Depreciated				
Construction in progress	\$ -	\$ 30,593	\$ -	\$ 30,593
Total Capital Assets Not Being Depreciated	-	30,593	-	30,593
Capital Assets Being Depreciated				
Infrastructure	6,814,742	294,998	-	7,109,740
Less: Accumulated depreciation	(710,312)	(100,685)	-	(810,997)
Net Capital Assets	\$ 6,104,430	\$ 224,906	\$ -	\$ 6,329,336

Listed below is the depreciation expense for the utilities.

Business Type Activities	
Water Utility	\$ 437,952
Wastewater Utility	1,283,842
Stormwater Utility	100,685
Total Business-Type Activities Depreciation Expense	\$ 1,822,479

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

6. Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts in the governmental funds:

Receivable Fund	Payable Fund	Amount
General Fund	Police Department Trust Fund	\$ 218
General Fund	Water Utility	32,531
General Fund	TIFs 10-14	61,498
General Fund	Debt Service	2,376
General Fund	Tax Collection Fund	133
Subtotal - General Fund		<u>96,756</u>
Subtotal - Fund Financial Statements		<u>96,756</u>
Less: Fund Eliminations		<u>(64,225)</u>
Total - Government-Wide Statements		<u>\$ 32,531</u>
Receivable Fund	Payable Fund	Amount
Governmental Activity	Business-type Activity	\$ (32,531)
Business-type Activity	Governmental Activity	<u>32,531</u>
Total		<u>\$ -</u>

The principal purpose of these interfunds is due to commingled cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

For the statement of net position, interfund balances which are owed within the governmental activities, and business-type activities are netted and eliminated.

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount Due Within One Year
General Fund	Aquatic Center	-
Advances Receivable Governmental Funds		<u>\$ 413,429</u>
		<u>\$ -</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

6. Interfund Receivables/Payables, Advances and Transfers (Continued)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Parking Permit Fund	\$ 35,927	Administrative
General Fund	Field of Dreams	5,000	Administrative
General Fund	TIF 4-9	314,073	Close-out
General Fund	Water and Sewer Utility	357,531	Tax equivalent
DPW Equipment	Stormwater Utility	25,000	Capital equipment
Subtotal - General Fund		<u>737,531</u>	
Debt Service Fund	TID 4	<u>2,090,936</u>	Debt service payment
Subtotal - Debt Service Fund		<u>2,090,936</u>	
Aquatic Center Fund	General Fund	50,000	Capital improvements
Aquatic Center Fund	General Fund	103,000	Appropriation
Library Special Revenue Fund	General Fund	470,000	Appropriation
Forestry Fund	General Fund	7,917	Appropriation
Subtotal - Non-Major Funds		<u>630,917</u>	
Sub-Total - Fund Financial Statements		<u>3,459,384</u>	
Less: Fund Eliminations		<u>(3,076,853)</u>	
Total - Government-Wide Statement of Activities - Primary Government		<u>\$ 382,531</u>	
CDA	TIF 4	\$ 75,000	Economic development
CDA	TIF 6	25,000	Economic development
Parkland Development	CDA	<u>(2,867)</u>	
Total - Government-Wide Statement of Activities - Component Unit		<u>\$ 97,133</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

7. Long-Term Obligations

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2021.

GOVERNMENTAL ACTIVITIES

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable					
General Obligation Bonds	\$ 11,305,000	\$ -	\$ 2,620,000	\$ 8,685,000	\$ 645,000
Notes from Direct Borrowings	734,831	-	146,456	588,375	147,900
Sub-Total	12,039,831	-	2,766,456	9,273,375	792,900

Other Liabilities

Vested Compensated Absences	629,567	-	56,649	572,918	75,721
Total Other Liabilities	629,567	-	56,649	572,918	75,721

Total Governmental Activities

Long-Term Liabilities	\$ 12,669,398	\$ -	\$ 2,823,105	\$ 9,846,293	\$ 868,621
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BUSINESS-TYPE ACTIVITIES

Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 8,910,000	\$ -	\$ 440,000	\$ 8,470,000	\$ 525,500
Bonds from Direct Borrowings	21,049,708	-	1,303,225	19,746,483	1,285,456
Revenue Bonds	1,620,000	-	225,000	1,395,000	230,000
Total Long-Term Debt	31,579,708	-	1,968,225	29,611,483	2,040,956

Other Liabilities

Vested Compensated Absences	144,306	-	14,934	129,372	14,824
Total Other Liabilities	144,306	-	14,934	129,372	14,824

Total Business-type Activities

Long-Term Liabilities	\$ 31,724,014	\$ -	\$ 1,983,159	\$ 29,740,855	\$ 2,055,780
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CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

7. Long-Term Obligations (Continued)

A. Governmental Activities -- General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

The City's general obligation debt limit is equal to 5% of the City's total equalized value. The City's debt limit as of December 31, 2021, is \$40,115,125. Debt subject to the limit is \$18,098,875.

The following table outlines the governmental debt:

Governmental Activities	Date Of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Current Portion
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	\$ 5,020,000	\$ 3,065,000	\$ 275,000
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 2,645,000	1,845,000	150,000
2017 Taxable GO Notes	2/15/2017	2/15/2022	2.45-2.46%	\$ 287,000	60,225	60,225
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 2,535,000	2,405,000	60,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 703,500	528,150	87,675
2020 Taxable GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,450,000	1,370,000	160,000
Total Governmental Activities -- General Obligation Debt				\$ 9,273,375	\$ 9,273,375	\$ 792,900

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt (Continued)

Debt service requirements to maturity are as follows:

Years	Governmental Activities			
	General Obligation Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 645,000	\$ 236,088	\$ 147,900	\$ 14,641
2023	720,000	220,601	87,675	10,968
2024	725,000	201,601	64,050	8,809
2025	755,000	182,639	57,750	7,190
2026	725,000	166,864	57,750	5,752
2027-2031	3,400,000	544,730	173,250	8,636
2032-2036	1,320,000	170,075	-	-
2037-2040	395,000	13,245	-	-
Totals	\$ 8,685,000	\$ 1,735,840	\$ 588,375	\$ 55,995

B. Business-Type Debt

The following is business-type debt outstanding:

	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Current Portion
<u>Water Utility</u>						
2011 Mortgage Revenue Bonds	6/7/2011	10/1/2026	1.6-4.0%	\$ 940,000	\$ 375,000	\$ 70,000
2012 Mortgage Revenue Bonds	5/17/2012	10/1/2027	.85-2.85%	\$ 855,000	375,000	60,000
					<u>750,000</u>	<u>130,000</u>
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 510,000	300,000	35,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 1,850,000	1,625,000	80,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 313,000	250,400	31,300
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,730,000	1,670,000	75,000
				Total Water Utility G.O. Debt	<u>3,845,400</u>	<u>221,300</u>
				Total Water Utility Long-Term Debt	<u>4,595,400</u>	<u>351,300</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Current Portion
<u>Wastewater Utility</u>						
2009 Clean Water Fund Loan	12/9/2009	5/1/2029	2.91%	\$ 50,000	1,379,643	155,646
2011 Clean Water Fund Loan	7/27/2011	5/1/2031	2.40%	\$ 115,954	356,029	31,925
2012 Mortgage Revenue Bonds	5/17/2012	11/1/2027	.85-2.85%	\$ 1,485,000	645,000	100,000
2016 Clean Water Fund Loan	4/13/2016	5/1/2035	2.10%	\$ 8,829,926	17,655,310	1,097,885
		Total Wastewater Utility Revenue Bonds			<u>20,035,983</u>	<u>1,385,456</u>
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 220,000	125,000	15,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 1,355,000	1,275,000	60,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 133,500	105,100	14,200
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,795,000	1,735,000	80,000
		Total Wastewater Utility G.O. Debt			<u>3,240,100</u>	<u>169,200</u>
		Total Wastewater Utility Long-Term Debt			<u>23,276,083</u>	<u>1,554,656</u>
<u>Stormwater Utility</u>						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	\$ 455,000	300,000	30,000
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 905,000	530,000	60,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 800,000	700,000	35,000
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 220,000	210,000	10,000
		Total Stormwater Utility G.O. Debt			<u>1,740,000</u>	<u>135,000</u>
		Total Business-type Activities Long-Term Debt			<u>\$ 29,611,483</u>	<u>\$ 2,040,956</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

Debt service requirements on business-type debt to maturity are as follows:

Years	General Obligation Bonds and			Business-Type Activities		
	Notes			Bonds from Direct		
	Principal	Interest		Principal	Interest	
2022	\$ 480,000	\$ 175,618	\$ 1,330,956	\$ 422,982	\$ 230,000	\$ 39,123
2023	485,000	160,277	1,359,307	392,048	240,000	32,941
2024	510,000	144,034	1,388,293	360,509	240,000	26,285
2025	515,000	127,064	1,416,227	328,240	250,000	19,408
2026	530,000	1,292,002	1,446,525	295,422	255,000	11,668
2027-2031	3,963,218	741,534	5,863,292	842,399	180,000	15,159
2032-2036	921,782	128,441	6,941,883	407,919	-	-
2037-2040	1,065,000	38,673	-	-	-	-
Totals	\$ 8,470,000	\$ 2,807,645	\$ 19,746,483	\$ 3,049,520	\$ 1,395,000	\$ 144,583

C. Other Debt

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributed to governmental activities will be liquidated primarily by the sick leave payout fund.

A statutory mortgage lien upon the utility's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

8. Commitments

Construction

The City has committed to an elevated storage tank construction in the water utility for approximately \$2.8 million. Through December 31, 2021, the costs incurred were \$758,210.

The City has committed up to \$3 million for a library expansion. The total costs anticipated are \$5.057 million. The project is in the design phase.

9. Net Position/Fund Balances

Governmental Activities

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Capital Assets net of depreciation	\$ 38,568,016
Less: long-term debt outstanding	(9,273,375)
Plus: unspent bond proceeds	169,178
Total Net Investment in Capital Assets	<u>\$ 29,463,819</u>

Restricted

Pension asset	2,116,881
Cable TV Fund	56,892
Library Special Revenue Fund	609,145
Taxicab Grant Program Fund	76,095
Parkland Acquisition Fund	53,169
Parkland Development Fund	32,802
Forestry Fund	18,895
Rescue Squad Equipment/Education Fund	146,184
Parking Permit Fund	78,953
Police Dept. Trust Fund	88,357
Parks and Recreation Fund	7,164
Field of Dreams Fund	60,383
Special revenue Funds	<u>1,228,039</u>
Total Restricted	<u>3,344,920</u>

Unrestricted

Total Governmental Activities Net Position

	1,900,725
	<u>\$ 34,709,464</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

9. Net Position/Fund Balances (Continued)

Governmental Activities (Continued)

Fund balances as of December 31, 2021, include the items in the following tables:

<u>Major Funds</u>	Nonspendable	Restricted	Assigned	Unassigned
General Fund				
Delinquent personal property tax	\$ 6,717	\$ -	\$ -	\$ -
Prepaid expenses	39,352	-	-	-
Advances	413,429	-	-	-
27th Payroll	-	-	-	75,484
Fire Department Equipment	-	-	541,012	-
DPW Equipment Revolving Fund	-	-	122,241	-
Police Vehicle Revolving Fund (deficit)	-	-	30,218	-
Building Repair Fund	-	-	19,719	-
Skate Park Fund	-	-	5,433	-
Solid Waste/Recycling Fund	-	-	58,984	-
Sick Leave Severance Fund (deficit)	-	-	106,705	-
Lakes Improvements Fund	-	-	475	-
Street Repair Revolving Fund	-	-	721,784	-
Insurance Fund	-	-	144,627	-
Elections Fund	-	-	13,972	-
Unassigned	-	-	-	2,228,574
Total General Fund	\$ 459,498	\$ -	\$ 1,765,170	\$ 2,304,058

Debt Service Fund

Fund deficit

\$ (2,376)

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

9. Net Position/Fund Balances (Continued)

Governmental Activities (Continued)

<u>Non-Major Funds</u>	Nonspendable	Restricted	Assigned	Unassigned
Special Revenue Funds				
Cable TV Fund	\$ -	\$ 56,892	\$ -	\$ -
Library Special Revenue Fund	-	609,145	-	-
Taxicab Grant Program Fund	-	76,095	-	-
Parkland Acquisition Fund	-	53,169	-	-
Parkland Development Fund	-	32,802	-	-
Forestry Fund	-	18,895	-	-
Rescue Squad Equipment/Education Fund	-	146,184	-	-
Parking Permit Fund	-	78,953	-	-
Police Dept. Trust Fund	-	88,357	-	-
Parks and Recreation Fund	-	7,164	-	-
Field of Dreams Fund	-	60,383	-	-
Aquatic Center (deficit)	-	-	-	(413,428)
Capital Projects Funds				
TIID 10 (deficit)	-	-	-	(18,660)
TIID 11 (deficit)	-	-	-	(10,710)
TIID 12 (deficit)	-	-	-	(10,710)
TIID 13 (deficit)	-	-	-	(10,710)
TIID 14 (deficit)	-	-	-	(10,710)
Other capital projects	-	169,178	-	-
Total Non-Major Funds	\$ -	\$ 1,397,217	\$ -	\$ (474,928)

See Note 1. G. for an explanation of fund deficits.

Business-Type Activities

The following calculation supports the Water, Wastewater, and Stormwater Utilities' balance of net investment in capital assets:

Business type	2021
Water Utility	
Capital Assets net of depreciation	\$ 14,998,596
Less: related long-term debt outstanding	(4,727,066)
Total Invested in Capital Assets	10,271,530

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

9. Net Position/Fund Balances (Continued)

Business-Type Activities (Continued)

Total Net Position - Net Investment in Capital Assets	\$ 10,549,154
	<u>2021</u>
Wastewater Utility	
Capital Assets net of depreciation	\$ 37,088,069
Less: related long-term debt outstanding	(23,385,717)
Total Invested in Capital Assets	<u>13,702,352</u>
Reserve from borrowing	1,077,468
Total Net Position - Net Investment in Capital Assets	<u>\$ 14,779,820</u>
	<u>2021</u>
Stormwater Utility	
Capital Assets net of depreciation	\$ 6,329,336
Less: related long-term debt outstanding	(1,767,771)

The following calculation supports the Water, Wastewater, and Stormwater Utilities' balance of restricted net position as of December 31, 2021:

	Water	Wastewater	Stormwater
Restricted Assets			
Redemption account	\$ 9,182	\$ 219,171	-
Reserve account	277,624	1,077,468	-
Connection account	-	367,708	-
Replacement account	-	2,221,042	-
Net Pension Asset	156,855	217,840	64,851
Total Restricted Assets	<u>443,661</u>	<u>4,103,229</u>	<u>64,851</u>
Less: Restricted Assets Not Funded by Revenues			
Reserve from borrowing	(277,624)	(1,077,468)	-
Less: Current Liabilities Payable From Restricted Assets	<u>(9,182)</u>	<u>(92,134)</u>	<u>-</u>
Total Restricted Net Position as Calculated	<u>\$ 156,855</u>	<u>\$ 2,933,627</u>	<u>\$ 64,851</u>
Restricted for Debt	\$ -	\$ 127,037	-
Restricted for Capital	-	2,588,750	-
Restricted for Pension Asset	<u>156,855</u>	<u>217,840</u>	<u>64,851</u>
	<u>156,855</u>	<u>2,933,627</u>	<u>64,851</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

10. Defined Benefit Pension Plan

A. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds ("ETF"). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report ("ACFR"), which can be found at <http://etf.wi.gov/publications/cafr.html>.

B. Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

C. Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor; their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

10. Defined Benefit Pension Plan (Continued)

D. Post-Retirement Adjustments

The ETF Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

E. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives and elected officials. Starting on January 1, 2016, the executives and elected officials' category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employees are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. During the reporting period, the WRS recognized \$460,645 in contributions from the municipality.

Contribution rates as of December 31, 2021, are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

10. Defined Benefit Pension Plan (Continued)

F. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a liability (asset) of \$(2,584,182) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.04139238%, which was an increase of 0.00002443% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense (income) of \$(280,616).

Pension amounts have been allocated to the proprietary and CDA funds. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary and CDA funds relative to the total contributions made by the City.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,740,107	\$ (805,612)
Net differences between projected and actual earnings on pension plan investments	-	(4,851,595)
Changes in assumptions	58,614	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,057	(7,486)
Employer contributions subsequent to the measurement date	474,842	-
Total	\$ 4,277,620	\$ (5,664,693)

\$474,842 reported as deferred outflows of resources related to pension resulting from the WRS Member's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

10. Defined Benefit Pension Plan (Continued)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (478,943)
2023	(129,590)
2024	(880,234)
2025	(373,148)
2026	-
Total	\$ (1,861,915)

G. Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	3.0%
Inflation	0.1% - 5.6%
Seniority/Merit	Wisconsin 2018 Mortality Table
Mortality:	1.9%*
Post-Retirement Adjustments	

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

10. Defined Benefit Pension Plan (Continued)

H. Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns
As of December 31, 2020

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

I. Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability (asset) for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

10. Defined Benefit Pension Plan (Continued)

I. Single Discount Rate (Continued)

The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

J. Sensitivity of the City of Whitewater's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 2,459,784	\$ (2,584,183)	\$ (6,288,940)

K. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://efw.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan

A. OPEB Plan Fiduciary Net Position

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

B. General Information about the Postemployment Benefits

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides Postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://efw.wi.gov/publications/cafr.htm>.

C. Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

D. Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021, are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020 are as listed below:

Attained Age	Life Insurance Member Contribution Rates*	
	For the year ended December 31, 2020	
	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$1,745 in contributions from the employer.

E. OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2021, the City reported a liability (asset) of \$481,528 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.087539%, which was a decrease of 0.00477% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$54,846.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

At December 31, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (22,977)
Net differences between projected and actual earnings on plan investments	7,010	-
Changes in actuarial assumptions	187,321	(33,039)
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,086	(24,108)
Employer contributions subsequent to the measurement date	1,663	-
Totals	\$ 198,080	\$ (80,124)

\$1,633 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 21,813
2023	21,055
2024	20,274
2025	17,643
2026	25,058
Thereafter	10,450
Total	\$ 116,293

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)	
F. Actuarial Assumptions	
The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:	
Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

G. Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securitan, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A+ Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)			
G.	Long-Term Expected Return on Plan Assets (Continued)		
Asset Allocation Targets and Expected Returns As of December 31, 2020			
	Asset Class	Index	Target Allocation
	US Credit Bonds	Barclays Credit	50%
	US Mortgages	Barclays MBS	50%
	Inflation		
	Long-Term Expected Rate of Return		
			Long-Term Expected Geometric Real Rate of Return
			1.47%
			0.82%
			2.20%
			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

H. Single Discount Rate

A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

I. Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

11. Other Post-Employment Benefits Plan— Multiple Employer Life Insurance Plan (Continued)

I. Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate (Continued)

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
City's proportionate share of the net OPEB liability (asset)	\$ 655,015	\$ 481,528	\$ 350,324

12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

13. Joint Venture – Whitewater Fire Department

The City and the Whitewater Volunteer Fire Department (the "Department") have a mutual understanding regarding the providing of fire and emergency medical services. The Department currently provides fire and emergency medical services to the City as well as some rural townships.

The Department has been operating as a separate organization. The Department Chief and assistant chiefs are elected by the Fire Department membership. Even though the Department has operated as a separate entity, the City may be liable for actions undertaken by the Department.

The City has provided payroll billing and accounting services for the Department. The City's financial statements do not include financial transactions related to the Department other than the City's portion of fire costs.

The City reviews and the City provides funding as set forth in the budget. The determination of the amount of the City's contribution to the Fire Department is vested with the City council.

14. Aquatic Center Lease and Operating Agreement

The City and the Whitewater Unified School District (the "District") have a lease and operating agreement for the Aquatic Center (the "Center"). The Center is owned by the District and leased by the City for \$1 annually. The agreement provides for the City of Whitewater Park Board to assume responsibility for the operation and management of the Center. The effective date is July 1, 2016 for an initial five-year term expiring June 30, 2021. The renewal of this agreement remains under negotiation.

The City budgets and accounts for this activity separately in the Aquatic Center Fund (Fund 247) and is included as a Non-Major Special Revenue Fund within this document.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

14. Aquatic Center Lease and Operating Agreement (Continued)

Under the agreement, the parties will split all Center expenses equally to the extent they are not covered by revenues generated by the Park Board. The City contributed \$153,000 toward the Center costs in 2021 and the District contributed \$140,500 in 2021 for Center costs. As of December 31, 2021, the aquatic center fund had a deficit of \$413,428.

15. Component Unit

This report contains the City of Whitewater Community Development Authority ("CDA"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

A. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

B. Deposits and Investments

The CDA's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risk
Demand deposits	\$ 817,672	\$ 817,672	Custodial Credit Risk, Interest Rate risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the CDA's deposits may not be returned to the CDA. As of December 31, 2021, the total bank balance of \$817,672 was exposed to custodial credit as outlined in Note 2. The City's and the CDA deposits had FDIC and State Deposit Guarantee Fund insurance as well as collateralized investments held in the bank's name. None of the City and CDA investments were uninsured and uncollateralized. No breakdown was given between the City and the CDA.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

15. Component Unit (Continued)

C. Economic Development and Housing Rehabilitation Loans Receivable

The CDA has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The CDA records a loan receivable when the loan has been made and funds have been disbursed. It is the CDA's policy to record revenue when the initial loan is made from the federal and state grant funds. Interest received from loan repayments is recognized as revenue when received in cash. The following receivable amounts are not expected to be collected within one year:

Loan receivable, net \$1,248,760

D. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 481,816	\$ -	\$ -	\$ 481,816	N/A
Equipment	6,990	-	(6,990)	-	5-10
Buildings	6,225,556	-	-	6,225,556	35-40
Accumulated Depreciation	(6,990)	-	6,990	-	
Equipment	(1,217,649)	(126,345)	-	(1,343,994)	
Buildings	<u>\$5,489,723</u>	<u>\$ (126,345)</u>	<u>\$ -</u>	<u>\$5,363,378</u>	
Totals					

E. Employee Retirement System

All eligible authority employees participate in the WRS, a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). Activity related to the CDA's involvement in the system is included with the City in Note 10. No allocation was made to the CDA of any pension related activity since it is not material.

F. Transfers In

The CDA recorded net transfers recorded from the City of \$100,000.

G. Due to and from City

The CDA program fund has a \$50,000 receivable from the City. The CDA operating fund owes the City \$1,496. The CDA Program fund owes the City \$1,247 and the Innovation center fund owes the City \$69,123.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2021

16. Economic Dependency

One of the City's Water Utility customers provides approximately 24.6% of the water revenue.

17. Contingencies

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

18. Subsequent Events

The City, in 2022, approved borrowing \$5,195,000 in general obligation notes for various projects.

19. Effect of New Accounting Standards on Current Period Financial Statements

Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, *Leases*. When this becomes effective, application of this standard may restate portions of these financial statements.

City of Whitewater
Whitewater, WI
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Budget to GAAP Differences)
General Fund
For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
	Original	Final			
REVENUES					
Taxes	\$ 3,136,502	\$ 3,136,502	\$ 3,136,502	\$ -	\$ 3,136,502
Other Taxes	88,896	88,896	259,944	-	259,944
Special Assessment Revenue	1,452	1,452	3,308	-	3,308
Intergovernmental	4,470,390	4,470,390	4,589,357	108,658	4,698,015
License and Permits	130,500	130,500	148,817	-	148,817
Fines, Forfeits and Penalties	288,595	288,595	295,900	-	295,900
Public Charges for Services	83,650	82,850	68,739	60	68,799
Interest Income	20,000	20,000	6,396	360	6,756
Miscellaneous Income	44,500	44,500	98,925	47,104	146,029
Total Revenues	8,264,485	8,263,685	8,607,888	136,182	8,764,070
EXPENDITURES					
Current:					
General Government	1,449,231	1,449,231	1,587,999	47,538	1,635,537
Public Safety	4,227,913	4,227,913	3,947,814	160,495	4,108,309
Public Works	1,075,725	1,075,725	1,106,953	753,825	1,860,778
Culture, Recreation and Education	644,162	644,162	578,305	19,900	598,205
Capital Outlay	-	-	-	211,688	211,688
Total Expenditures	7,397,031	7,397,031	7,221,071	1,193,446	8,414,517
Excess (Deficiency) of Revenues Over Expenditures	867,454	866,654	1,386,817	(1,037,264)	349,553
OTHER FINANCING SOURCES (USES)					
Transfers In	413,841	696,590	712,531	25,000	737,531
Transfers Out	(1,281,295)	(1,898,442)	(1,898,442)	1,267,525	(630,917)
Fund Balance Increase	-	335,198	-	-	-
Total Other Financing Sources and Uses	(867,454)	(866,654)	(1,185,911)	1,292,525	106,614
Net Change in Fund Balances	-	-	200,906	255,261	456,167
Fund Balances - Beginning	2,487,165	2,487,165	2,487,166	1,585,693	4,072,859
Fund Balances - Ending	\$ 2,487,165	\$ 2,487,165	\$ 2,688,072	\$ 1,840,954	\$ 4,529,026

See accompanying notes to the required supplementary information

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHITEWATER
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	0.04139238%	\$ (2,584,182)	\$ 5,494,004	(47.04%)	105.26%
2019	0.04136795%	\$ (1,333,891)	\$ 5,512,700	(24.20%)	102.96%
2018	0.04079730%	\$ 1,451,440	\$ 5,370,806	27.02%	96.45%
2017	-0.04050154%	\$ (1,202,538)	\$ 5,085,067	(23.65%)	102.93%
2016	0.04009691%	\$ 330,494	\$ 5,007,766	6.60%	99.12%
2015	0.04036951%	\$ 655,997	\$ 5,156,137	12.72%	98.20%
2014	-0.04072418%	\$ (1,000,022)	\$ 4,826,161	(20.72%)	102.74%

SCHEDULE OF CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 474,842	\$ (474,842)	\$ -	\$ 5,614,968	8.46%
2020	\$ 460,645	\$ (460,645)	\$ -	\$ 5,494,004	8.38%
2019	\$ 434,659	\$ (434,659)	\$ -	\$ 5,512,701	7.88%
2018	\$ 431,432	\$ (431,432)	\$ -	\$ 5,370,806	8.03%
2017	\$ 421,690	\$ (421,690)	\$ -	\$ 5,085,068	8.29%
2016	\$ 385,047	\$ (385,047)	\$ -	\$ 5,008,036	7.69%
2015	\$ 435,190	\$ (435,190)	\$ -	\$ 5,156,137	8.44%

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
LOCAL RETIREE LIFE INSURANCE SCHEDULES
December 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2020	0.08753900%	\$ 481,528	\$ 4,394,000	10.96%	31.36%
2019	0.09230900%	\$ 393,070	\$ 4,303,000	9.13%	37.58%
2018	0.09298000%	\$ 238,418	\$ 4,172,000	5.71%	48.69%
2017	0.09906500%	\$ 298,045	\$ 4,165,967	7.15%	44.81%

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2021

1. Budgetary Information

Budgets

A budget has been adopted for all funds of the City. The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the department level. The budgetary comparison schedule is presented for the general fund only. The debt service levy and transfer out to debt service of \$942,883 were eliminated on the fund statements.

Budget amounts include appropriations authorized in the original budget, any council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the General Fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures. The final budget includes an other financing source for anticipated fund balance increase which is not a revenue source under modified accrual accounting. Accordingly there is no actual revenue.

Excess Expenditures over Appropriations

Budgetary expenditure control is exercised at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

The City's General Fund had expenditures in excess of budget as follows:

	Budgeted Amounts		Actual Amounts, Budgetary with Final Basis		Variance with Final budget
	Original	Final	Basis		
General Government	1,449,231	1,449,231	1,587,999	(138,768)	
Public Works	1,075,725	1,075,725	1,106,953	(31,228)	

Revenues were sufficient to cover the expenditures.

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 3 preceding years.

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions: No significant change in assumptions were noted from the prior year.

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2021

3. Local Retiree Life Insurance Fund Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

Changes of benefit terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions: The single discount rate assumption used to develop the total OPEB liability changed from the prior year. Please refer to the actuarial assumptions section H of Note 11.

OTHER SUPPLEMENTAL INFORMATION

Balance Sheet
Combining General Fund
December 31, 2021

ASSETS	General Fund	27th Precinct	Fire Dept. Equipment Replacement	DPW Equipment Replacement	Police Vehicle Replacement	Building Repair Fund	State Park	Gold Water Replacement	State Parks Replacement	Lakes Replacement	Street Replacement	Insurance Reserve	Police Reserve	Total General
Cash and Cash Equivalents	\$ 405,010	\$ 75,394	\$ 541,082	\$ 18,605	\$ 30,218	\$ 5952	\$ 5,403	\$ 68,606	\$ 108,705	\$ 475	\$ 722,237	\$ 144,627	\$ 14,012	\$ 5,574,514
Receivables:														
Accounts Receivable	2,771,089	-	-	-	-	-	-	-	-	-	-	-	-	2,771,089
Delinquent Personal Property Taxes	6,517	-	-	-	-	-	-	-	-	-	-	-	-	6,517
Special Assessments	84,878	-	-	-	-	12,667	-	-	-	-	-	-	-	97,545
Other	71,666	-	-	-	-	-	-	-	-	-	-	-	-	71,666
Due from City of Portland	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	39,542	-	-	-	-	-	-	-	-	-	-	-	-	39,542
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 3,446,725	\$ 75,394	\$ 541,082	\$ 18,605	\$ 30,218	\$ 19,719	\$ 5,403	\$ 68,606	\$ 108,705	\$ 475	\$ 722,237	\$ 144,627	\$ 14,012	\$ 9,418,016
LIABILITIES														
Liabilities:														
Accounts Payable	\$ 26,266	\$ -	\$ -	\$ 26,444	\$ -	\$ -	\$ -	\$ 1,430	\$ -	\$ -	\$ 403	\$ -	\$ 40	\$ 28,143
Accounts Receivable	254,796	-	-	-	-	-	-	-	-	-	-	-	-	254,796
Payables to Other Governments	43,571	-	-	-	-	-	-	-	-	-	-	-	-	43,571
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ 424,633	\$ -	\$ -	\$ 26,444	\$ -	\$ -	\$ -	\$ 1,430	\$ -	\$ -	\$ 403	\$ -	\$ 40	\$ 485,072
DEFERRED LIABILITIES OF RESOURCES														
Deferred Liabilities:														
Accounts Payable	420,438	-	-	-	-	-	-	-	-	-	-	-	-	420,438
Total Liabilities	\$ 420,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,438
NET ASSETS														
Accounts Payable	420,438	-	541,082	122,241	30,218	19,719	5,403	58,984	108,705	475	721,284	144,627	13,972	498,698
Accounts Receivable	2,771,089	-	-	-	-	-	-	-	-	-	-	-	-	2,771,089
Special Assessments	84,878	-	-	-	-	12,667	-	-	-	-	-	-	-	97,545
Other	71,666	-	-	-	-	-	-	-	-	-	-	-	-	71,666
Due from City of Portland	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	39,542	-	-	-	-	-	-	-	-	-	-	-	-	39,542
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 3,446,725	\$ 75,394	\$ 541,082	\$ 18,605	\$ 30,218	\$ 19,719	\$ 5,403	\$ 68,606	\$ 108,705	\$ 475	\$ 722,237	\$ 144,627	\$ 14,012	\$ 9,418,016
Total Liabilities, Deferred Liabilities and Fund Balance	\$ 7,546,725	\$ 75,394	\$ 541,082	\$ 18,605	\$ 30,218	\$ 19,719	\$ 5,403	\$ 68,606	\$ 108,705	\$ 475	\$ 722,237	\$ 144,627	\$ 14,012	\$ 9,418,016

Balance Sheet
Non-Major Governmental Funds
December 31, 2021

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,298,707	\$ 239,324	\$ 1,538,031
Receivables:			
Accounts	2,208	-	2,208
Due from Other Governments	11,855	161,025	172,880
Total Assets	<u>\$ 1,312,770</u>	<u>\$ 400,349</u>	<u>\$ 1,713,119</u>
LIABILITIES			
Accounts Payable	\$ 47,846	\$ 63,176	\$ 111,022
Accrued Liabilities	33,312	-	33,312
Due to Other Funds	218	61,500	61,718
Advances Payable	413,429	-	413,429
Total Liabilities	<u>\$ 494,805</u>	<u>\$ 124,676</u>	<u>\$ 619,481</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	3,354	167,995	171,349
FUND BALANCE			
Restricted	1,228,039	169,178	1,397,217
Unassigned (Deficit)	(413,428)	(61,500)	(474,928)
Total Fund Balance	<u>\$ 814,611</u>	<u>\$ 107,678</u>	<u>\$ 922,289</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,312,770</u>	<u>\$ 400,349</u>	<u>\$ 1,713,119</u>

Statement of Revenues, Expenditures and Changes in Fund Balances
Combining General Fund
For the Year Ended December 31, 2021

	General Fund	27th Fiscal Year	Fire Dept. Equipment Fund	DPW Street Sweeping Fund	Public Works Engineering Fund	Building Repair Fund	Street Park Fund	City Parks Recreation Fund	Sick Leave Accumulation Fund	Lakes Improvement Fund	Street Improvement Fund	Emergency Reserve	Debt Service Fund	Total General Fund
REVENUES														
Taxes	\$ 2,154,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,154,567
Other Taxes	279,544	-	-	-	-	-	-	-	-	-	-	-	-	279,544
Special Assessments	4,209,897	-	-	-	-	-	-	-	-	-	-	-	-	4,209,897
Licenses and Permits	148,817	-	-	-	-	-	-	-	-	-	-	-	-	148,817
Fees and Charges	64,339	-	-	-	-	-	-	-	-	-	-	-	-	64,339
Public Charges for Services	46	-	-	-	-	-	-	-	-	-	-	-	-	46
Interest Income	8,586	8	1,300	32,405	8,610	-	3,000	-	-	-	261	-	-	46,500
Miscellaneous	8,267,585	1	1,351	32,410	8,610	-	3,000	-	-	-	7,071	-	-	8,282,036
Total Revenues	<u>15,864,352</u>	<u>9</u>	<u>1,359</u>	<u>64,815</u>	<u>17,220</u>	<u>3,000</u>	<u>6,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>7,332</u>	<u>3,000</u>	<u>3,000</u>	<u>15,882,036</u>
EXPENDITURES														
Current Government	1,897,989	-	-	-	-	-	-	-	-	-	-	-	-	1,897,989
Public Safety	3,947,814	-	10,913	-	14,462	-	-	-	10,444	-	-	-	-	3,973,663
Public Works	3,947,814	-	-	-	-	-	-	-	-	-	-	-	-	3,947,814
Culture, Recreation and Education	778,395	-	-	-	-	-	-	-	-	-	-	-	-	778,395
Capital Outlay	7,317,001	-	(10,533)	149,719	78,112	41,971	-	456,167	10,444	-	22,557	-	-	7,543,430
Total Expenditures	<u>17,888,813</u>	<u>-</u>	<u>(10,533)</u>	<u>139,692</u>	<u>92,574</u>	<u>41,971</u>	<u>-</u>	<u>456,167</u>	<u>20,888</u>	<u>-</u>	<u>22,557</u>	<u>-</u>	<u>-</u>	<u>17,982,505</u>
Change in Fund Balance	<u>1,975,539</u>	<u>9</u>	<u>1,369</u>	<u>25,123</u>	<u>8,646</u>	<u>2,029</u>	<u>6,000</u>	<u>3,000</u>	<u>3,116</u>	<u>-</u>	<u>1,775</u>	<u>3,000</u>	<u>3,000</u>	<u>1,899,531</u>
(Deficiency) of Revenues Over Expenditures	<u>1,975,539</u>	<u>9</u>	<u>1,369</u>	<u>25,123</u>	<u>8,646</u>	<u>2,029</u>	<u>6,000</u>	<u>3,000</u>	<u>3,116</u>	<u>-</u>	<u>1,775</u>	<u>3,000</u>	<u>3,000</u>	<u>1,899,531</u>
OTHER FINANCING SOURCES (USES)														
Transfers	712,531	-	-	25,000	-	-	-	-	-	-	-	-	-	737,531
Total Other Financing Sources and Uses	<u>712,531</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>737,531</u>
Net Change in Fund Balance	<u>2,688,070</u>	<u>9</u>	<u>1,369</u>	<u>50,123</u>	<u>8,646</u>	<u>2,029</u>	<u>6,000</u>	<u>3,000</u>	<u>6,232</u>	<u>-</u>	<u>3,552</u>	<u>3,000</u>	<u>3,000</u>	<u>2,637,062</u>
Fund Balance (Debit) - Beginning	2,487,566	8,736	17,152	129,438	76,116	2,411	31,762	61,119	475	-	67,841	114,527	1,006	4,072,455
Fund Balance - Ending	<u>\$ 2,688,070</u>	<u>\$ 27,768</u>	<u>\$ 44,113</u>	<u>\$ 158,566</u>	<u>\$ 84,762</u>	<u>\$ 4,832</u>	<u>\$ 37,762</u>	<u>\$ 64,229</u>	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ 73,693</u>	<u>\$ 117,527</u>	<u>\$ 1,006</u>	<u>\$ 4,119,517</u>

Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Non-Major Governmental Funds
REVENUES			
Property Taxes	\$ -	\$ 90,165	\$ 90,165
Intergovernmental	526,104	95,308	621,412
Public Charges for Services	420,850	-	420,850
Intergovernmental Charges for Services	268	-	268
Interest Income	1,419	387	1,806
Miscellaneous Income	180,278	34,965	215,243
Total Revenues	1,128,919	220,825	1,349,744
EXPENDITURES			
Current:			
Public Safety	24,772	-	24,772
Public Works	139,031	-	139,031
Culture, Recreation and Education	1,676,878	-	1,676,878
Conservation and Development	2,890	65,250	68,140
Capital Outlay	4,721	278,331	283,052
Total Expenditures	1,848,292	343,581	2,191,873
Excess (Deficiency) of Revenues Over Expenditures	(719,373)	(122,756)	(842,129)
OTHER FINANCING SOURCES (USES)			
Payments to overlying taxing jurisdictions	-	(71,335)	(71,335)
Transfers In	630,917	-	630,917
Transfers Out	(40,927)	(26,682)	(67,609)
Transfers Out to CDA	2,867	(25,000)	(22,133)
Total Other Financing Sources and Uses	589,990	(123,017)	469,840
Net Change in Fund Balances	(129,383)	(245,773)	(372,289)
Fund Balances - Beginning	941,127	353,451	1,294,578
Fund Balances - Ending	\$ 811,744	\$ 107,678	\$ 922,289

Combining Balance Sheet Non-Major Special Revenue Funds December 31, 2021									
	Cable TV Fund	Library Special Revenue Fund	Taxicab Grant Program Fund	Parkland Acquisition Fund	Parkland Development Fund	Forestry Fund	Rescue Squad Equipment/ Educ. Fund		
ASSETS									
Cash and Cash Equivalents	\$ 60,803	\$ 634,064	\$ 78,711	\$ 53,169	\$ 32,802	\$ 18,895	\$ 146,184		
Receivables:	-	-	-	-	-	-	-		
Due from Other Governments	-	-	11,855	-	-	-	-		
Total Assets	\$ 60,803	\$ 634,064	\$ 90,566	\$ 53,169	\$ 32,802	\$ 18,895	\$ 146,184		
LIABILITIES									
Liabilities:									
Accounts Payable	\$ 365	\$ 5,786	\$ 14,471	\$ -	\$ -	\$ -	\$ -		
Accrued Liabilities	3,246	19,153	-	-	-	-	-		
Deferred Inflows	-	-	-	-	-	-	-		
Advances Payable	-	-	-	-	-	-	-		
Total Liabilities	3,911	24,939	14,471	-	-	-	-		
FUND BALANCE									
Restricted	56,892	609,145	76,095	53,169	32,802	18,895	146,184		
Unassigned (Deficit)	-	-	-	-	-	-	-		
Total Fund Balance	\$ 56,892	\$ 609,145	\$ 76,095	\$ 53,169	\$ 32,802	\$ 18,895	\$ 146,184		
Total Liabilities, Deferred Inflows and Fund Balance	\$ 60,803	\$ 634,064	\$ 90,566	\$ 53,169	\$ 32,802	\$ 18,895	\$ 146,184		

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2021

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Non-Major Special Revenue Funds
ASSETS						
Cash and Cash Equivalents	\$ 79,203	\$ 88,575	\$ 6,598	\$ 63,737	\$ 35,966	\$ 1,298,707
Receivables:						
Accounts	-	-	2,208	-	-	2,208
Due from Other Governments	-	-	-	-	-	11,855
Total Assets	\$ 79,203	\$ 88,575	\$ 8,806	\$ 63,737	\$ 35,966	\$ 1,312,770
LIABILITIES						
Liabilities:						
Accounts Payable	\$ 250	\$ -	\$ 856	\$ -	\$ 26,138	\$ 47,846
Accrued Liabilities	-	-	786	-	9,827	33,312
Due to Other Funds	-	218	-	-	-	218
Advances Payable	-	-	-	413,429	-	413,429
Total Liabilities	250	218	1,642	-	449,394	494,805
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows	-	-	-	3,354	-	3,354
FUND BALANCE (DEFICIT)						
Restricted	78,953	88,357	7,164	60,383	-	1,228,039
Unassigned (Deficit)	-	-	-	-	(413,428)	(413,428)
Total Fund Balance (Deficit)	78,953	88,357	7,164	60,383	(413,428)	814,611
Total Liabilities, Deferred Inflows and Fund Balance	\$ 79,203	\$ 88,575	\$ 8,806	\$ 63,737	\$ 35,966	\$ 1,312,770

City of Whitewater
Whitewater, WI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2021

	Cable TV Fund	Library Special Revenue Fund	Tateoan Grant Program Fund	Parkland Acquisition Fund	Parkland Development Fund	Forestry Fund	Recent Squad Equipment Fund
REVENUES							
Intergovernmental	-	\$ 233,020	\$ 152,584	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	79,717	5,604	-	-	-	-	-
Intergovernmental Charges for Services	40	-	-	-	-	-	268
Interest Income	18,160	582	-	-	-	1	119
Miscellaneous Income	-	23,185	-	-	11,630	1,460	-
Total Revenues	97,926	231,586	152,584	-	11,630	1,461	387
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	3,270
Public Works	-	-	139,051	-	-	-	-
Culture, Recreation and Education	110,692	834,508	-	-	1,361	-	-
Community Development	-	-	-	-	-	2,890	-
Capital Outlay	-	4,721	-	-	-	-	-
Total Expenditures	110,692	839,209	139,051	-	1,361	2,890	3,270
Excess (Deficiency) of Revenues Over Expenditures	(12,766)	(607,623)	13,533	-	10,269	(1,389)	(2,883)
OTHER FINANCING SOURCES (USES)							
Transfer in CDA	-	-	-	-	2,867	-	-
Transfers In	-	470,000	-	-	2,867	7,917	-
Total Other Financing Sources and Uses	-	470,000	-	-	2,867	7,917	-
Net Change in Fund Balances	(12,766)	(77,713)	13,533	-	13,136	6,528	(2,883)
Fund Balance - Beginning	56,892	53,169	60,051	-	13,136	13,136	16,270
Fund Balance - Ending	\$ 56,892	\$ 60,145	\$ 73,584	\$ 53,169	\$ 32,802	\$ 19,664	\$ 14,387

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2021

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Non-Major Special Revenue Funds
REVENUES						
Intergovernmental	-	-	-	-	\$ 140,500	\$ 526,104
Public Charges for Services	33,437	-	92,257	-	209,835	420,850
Intergovernmental Charges for Services	-	-	-	-	-	268
Interest Income	24	46	-	-	607	1,419
Miscellaneous Income	-	17,597	2,208	76,584	700	180,735
Total Revenues	33,461	17,643	94,465	76,584	351,142	1,128,919
EXPENDITURES						
Current:						
Public Safety	4,591	16,911	-	-	-	24,772
Public Works	-	-	-	-	-	139,031
Culture, Recreation and Education	-	-	84,179	62,594	583,464	1,676,878
Conservation and Development	-	-	-	-	-	2,890
Capital Outlay	-	-	-	-	-	4,721
Total Expenditures	4,591	16,911	84,179	62,594	583,464	1,848,276
Excess (Deficiency) of Revenues Over Expenditures	28,870	732	10,286	13,990	(232,322)	(719,373)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	153,000	630,917
Transfers Out	(15,927)	-	-	(5,000)	-	(40,927)
Total Other Financing Sources and Uses	(15,927)	-	-	(5,000)	153,000	992,857
Net Change in Fund Balances	(7,057)	732	10,286	8,990	(79,322)	(126,516)
Fund Balances - Beginning	28,525	87,622	124,661	124,661	(124,661)	61,796
Fund Balances (Deficit) - Ending	\$ 20,468	\$ 88,352	\$ 2,166	\$ 60,283	\$ (43,322)	\$ 34,441

City of Whitewater
Whitewater, WI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
December 31, 2021

	TID-5	TID-6	TID-7	TID-8	TID-9	TID-10	TID-11	TID-12	TID-13	TID-14	Other Capital Funds	Non-Major Capital Funds
ASSETS												
Cash and Cash Equivalents	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,574	\$ 239,324
Receivables:												
Due from Other Governments	-	-	-	-	-	-	-	-	-	-	-	161,025
Total Assets	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,574	\$ 400,349
LIABILITIES												
Accounts Payable	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,426	\$ 61,176
Due to Other Governments	-	-	-	-	-	-	-	-	-	-	-	124,626
Total Liabilities	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,426	\$ 185,802
DEFERRED PORTIONS OF RESOURCES												
Tax Apportionment	-	-	-	-	-	-	-	-	-	-	167,995	167,995
FUND BALANCE (DEFICIT)												
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	-	169,178	169,178
Total Fund Balance (Deficit)	-	-	-	-	-	(18,666)	(18,700)	(18,710)	(18,720)	(18,730)	-	(61,590)
Total Liabilities, Deferred Portions and Fund Balance	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,609	\$ 400,349

**Combining Statement of Net Position
Component Unit
December 31, 2021**

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 2,925	\$ 809,441	\$ 8,944	\$ 821,310
Due from Other Funds	-	50,000	-	50,000
Total Current Assets	2,925	859,441	8,944	871,310
Noncurrent Assets:				
Restricted Assets				
Other Assets	27,755	-	-	27,755
Net Pension Asset	-	1,248,760	-	1,248,760
Loans Receivable	-	-	-	-
Capital Assets				
Land, Improvements, and Construction in Progress	-	481,816	-	481,816
Other Capital Assets, Net of Depreciation	-	4,881,562	-	4,881,562
Total Capital Assets	-	5,363,378	-	5,363,378
Total Noncurrent Assets	27,755	6,612,138	-	6,639,893
Total Assets	30,680	7,471,579	8,944	7,511,203
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	45,944	-	-	45,944
Total Deferred Outflows of Resources	45,944	-	-	45,944
Total Assets and Deferred Outflows of Resources	76,624	7,471,579	8,944	7,557,147
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 5,404	\$ -	\$ 8,943	\$ 14,347
Due to City General Fund	1,496	1,247	69,123	71,866
Total Current Liabilities	6,900	1,247	78,066	86,213
Total Liabilities	6,900	1,247	78,066	86,213
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	60,842	-	-	60,842
Total Deferred Inflows of Resources	60,842	-	-	60,842
NET POSITION				
Net Investment in Capital Assets	-	5,363,378	-	5,363,378
Restricted	-	2,106,954	-	2,106,954
Unrestricted	8,882	-	(69,122)	(60,240)
Total Net Position	8,882	7,470,332	(69,122)	7,410,092
Total Liabilities, Deferred Inflows of Resources, and Net Position	76,624	7,471,579	8,944	7,557,147

**City of Whitewater
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2021**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	6
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Combining Statement of Revenues, Expenses and Changes in Net Position
Component Unit
For the Year Ended December 31, 2021

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
Operating Revenues	\$ -	\$ 21,123	\$ 135,393	\$ 156,516
Operating Expenses				
Operating Expenses	146,486	30,655	358,228	535,369
Depreciation	-	126,345	-	126,345
Total Operating Expenses	146,486	157,000	358,228	661,714
Operating Income (Loss)	(146,486)	(135,877)	(222,835)	(505,198)
Non-Operating Revenues (Expenses)				
Investment Income	-	156,661	-	156,661
Miscellaneous	-	-	100,113	100,113
Intergovernmental and Other	-	3,500	-	3,500
Total Non-Operating Revenues	-	160,161	100,113	260,274
Transfer In from City	100,000	-	-	100,000
Transfer Out to City	-	(2,867)	-	(2,867)
CDBG Loan Close-Out	-	(860,741)	-	(860,741)
Change in Net Position	(46,486)	(839,324)	(122,722)	(1,008,532)
Total Net Position - Beginning	55,368	8,309,656	53,600	8,418,624
Total Net Position - Ending	\$ 8,882	\$ 7,470,332	\$ (69,122)	\$ 7,410,092

Combining Statement of Cash Flows
Component Unit
For the Year Ended December 31, 2021

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
Cash Flows From Operating Activities				
Received from customers	\$ -	\$ 24,623	\$ 135,393	\$ 160,016
Loans repaid	-	72,719	-	72,719
New loans issued	-	(30,000)	-	(30,000)
Paid to suppliers for goods and services	(158,653)	(154,085)	(186,034)	(498,772)
Net cash flows from operating activities	(158,653)	(186,743)	(50,641)	(296,037)
Cash Flows From Investing Activities				
Investment income	-	156,661	-	156,661
Net cash flows from investing activities	-	156,661	-	156,661
Cash Flows From Non-Capital Financing Activities				
Transfers in from City	100,000	-	-	100,000
CDBG Loan Close-Out	-	(860,741)	-	(860,741)
Transfers out to City	-	(2,867)	-	(2,867)
Advance repayments	-	250,000	-	250,000
Net cash flow from noncapital financing activities	100,000	(613,608)	-	(513,608)
Net increase (decrease) in cash and cash equivalents	(58,653)	(543,690)	(50,641)	(652,984)
Cash And Cash Equivalents - Beginning Of Year	61,578	1,353,131	59,585	1,474,294
Cash And Cash Equivalents - End Of Year	\$ 2,925	\$ 809,441	\$ 8,944	\$ 821,310
Reconciliation Of Operating Income (Loss) To Net Cash Flows From Operating Activities				
Operating income (loss)	\$ (146,486)	\$ (135,877)	\$ (222,835)	\$ (505,198)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous	-	-	100,113	100,113
Noncash items included in income (loss)				
Depreciation	-	126,345	-	126,345
Pension expense	(10,354)	-	-	(10,354)
Change in Assets and Liabilities				
Loans receivable	-	42,719	-	42,719
Due from other funds	1,496	3,500	-	4,996
Due to primary government	-	(123,430)	69,123	(54,307)
Accounts payable and accrued expenses	(3,309)	-	2,958	(351)
Net Cash Flows From Operating Activities	\$ (158,653)	\$ (86,743)	\$ (50,641)	\$ (296,037)

OTHER INFORMATION

City of Whitewater
Schedule of Long-Term Debt Principal Payments - Governmental Activities
December 31, 2021

Year	Totals	2012 General Obligation Refunding Bonds	2014 Taxable General Obligation Bonds	2017 Taxable General Obligation Notes	2018 Taxable General Obligation Bonds	2019 Taxable General Obligation Notes	2020 Taxable General Obligation Bonds
2022	\$ 792,900	\$ 275,000	\$ 150,000	\$ 60,225	\$ 60,000	\$ 87,675	\$ 160,000
2023	807,675	280,000	150,000	-	120,000	87,675	170,000
2024	789,050	290,000	155,000	-	110,000	64,050	170,000
2025	812,750	295,000	285,000	-	-	57,750	175,000
2026	782,750	300,000	385,000	-	-	57,750	40,000
2027	802,750	305,000	400,000	-	-	57,750	40,000
2028	782,750	315,000	160,000	-	210,000	57,750	40,000
2029	797,750	325,000	160,000	-	210,000	57,750	45,000
2030	590,000	335,000	-	-	210,000	-	45,000
2031	600,000	345,000	-	-	210,000	-	45,000
2032	255,000	-	-	-	210,000	-	45,000
2033	260,000	-	-	-	215,000	-	45,000
2034	270,000	-	-	-	215,000	-	55,000
2035	265,000	-	-	-	210,000	-	55,000
2036	270,000	-	-	-	215,000	-	55,000
2037	265,000	-	-	-	210,000	-	55,000
2038	55,000	-	-	-	-	-	55,000
2039	55,000	-	-	-	-	-	55,000
2040	20,000	-	-	-	-	-	20,000
Totals	\$ 9,273,375	\$ 3,065,000	\$ 1,845,000	\$ 60,225	\$ 2,405,000	\$ 528,150	\$ 1,370,000

City of Whitewater
Schedule of Long-Term Debt Interest Payments - Governmental Activities
December 31, 2021

Year	Totals	2012 General Obligation Refunding Bonds	2014 Taxable General Obligation Bonds	2017 Taxable General Obligation Notes	2018 Taxable General Obligation Bonds	2019 Taxable General Obligation Notes	2020 Taxable General Obligation Bonds
2022	\$ 250,728	\$ 81,475	\$ 46,605	\$ 1,490	\$ 82,188	\$ 13,151	\$ 25,820
2023	231,568	75,288	43,605	-	79,188	10,968	22,520
2024	210,409	68,988	40,305	-	73,188	8,809	19,120
2025	189,828	62,463	36,818	-	67,688	7,190	15,670
2026	172,615	55,678	29,978	-	67,688	5,752	13,520
2027	153,199	48,478	20,000	-	67,688	4,314	12,720
2028	132,704	40,853	9,360	-	67,688	2,884	11,920
2029	111,358	32,663	4,800	-	61,388	1,438	11,070
2030	87,358	22,100	-	-	55,088	-	10,170
2031	68,746	11,213	-	-	48,263	-	9,270
2032	49,808	-	-	-	41,438	-	8,370
2033	42,083	-	-	-	34,613	-	7,470
2034	34,095	-	-	-	27,625	-	6,470
2035	26,008	-	-	-	20,638	-	5,370
2036	18,083	-	-	-	13,813	-	4,270
2037	9,995	-	-	-	6,825	-	3,170
2038	2,070	-	-	-	-	-	2,070
2039	-	-	-	-	-	-	970
2040	210	-	-	-	-	-	210
Totals	\$ 1,791,835	\$ 499,199	\$ 231,471	\$ 1,490	\$ 815,000	\$ 54,505	\$ 190,170

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

June 9, 2022

Re: City of Whitewater, Wisconsin ("Issuer")
\$8,350,000 Waterworks and Sewer System Revenue Bonds, Series 2022B,
dated June 9, 2022 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the City Council of the Issuer on May 19, 2022 (the "Bond Resolution"). Pursuant to the Bond Resolution, the Bonds are issued on a parity with the Issuer's outstanding Waterworks and Sewer System Revenue Bonds, Series 2009, dated December 9, 2009, Waterworks and Sewer System Revenue Bonds, Series 2011, dated July 27, 2011 and Waterworks and Sewer System Revenue Bonds, Series 2016, dated April 13, 2016 (collectively, the "Prior Bonds"). The Issuer covenanted in the Bond Resolution that revenues of the Waterworks System and Sewer System (collectively, the "System") of the Issuer which are deposited in the Debt Service Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$285,000	___%
2024	460,000	___
2025	370,000	___
2026	360,000	___
2027	285,000	___
2028	215,000	___
2029	235,000	___
2030	300,000	___
2031	325,000	___
2032	365,000	___
2033	390,000	___
2034	420,000	___
2035	435,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2036	\$480,000	____%
2037	510,000	____
2038	535,000	____
2039	560,000	____
2040	585,000	____
2041	610,000	____
2042	625,000	____

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2023.

The Bonds maturing on May 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax

purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Whitewater, Walworth and Jefferson Counties, Wisconsin (the "Issuer") in connection with the issuance of \$8,350,000 Waterworks and Sewer System Revenue Bonds, Series 2022B, dated June 9, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 19, 2022 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated May 20, 2022 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the City Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 312 West Whitewater Street, Whitewater, Wisconsin 53190, phone (262) 473-0500, fax (262) 473-0509.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2022, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. THE BONDS - Description of Waterworks System
5. THE BONDS - Description of the Sewer System

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 9th day of June, 2022.

(SEAL)

Cameron L. Clapper
City Manager

Michele R. Smith
City Clerk

NOTICE OF SALE

\$8,350,000* WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2022B CITY OF WHITEWATER, WISCONSIN

Bids for the purchase of \$8,350,000* Waterworks and Sewer System Revenue Bonds, Series 2022B (the "Bonds") of the City of Whitewater, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 09:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 09:30 A.M. Central Time, on May 19, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the City Council for consideration for award by resolution at a meeting to be held at 6:30 P.M. Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds to provide funds for the public purpose of paying the cost of additions, improvements and extensions to the City's Waterworks System and Sewer System (collectively, the "Utility System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge Net Revenues of the Utility System on a parity with other bonds payable from the Utility System.

DATES AND MATURITIES

The Bonds will be dated June 9, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$285,000	2030	\$300,000	2037	\$510,000
2024	460,000	2031	325,000	2038	535,000
2025	370,000	2032	365,000	2039	560,000
2026	360,000	2033	390,000	2040	585,000
2027	285,000	2034	420,000	2041	610,000
2028	215,000	2035	435,000	2042	625,000
2029	235,000	2036	480,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2031 shall be subject to optional redemption prior to maturity on May 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 9, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$8,245,625 nor more than \$9,185,000 plus accrued interest on the principal sum of \$8,350,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 09:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$167,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

Cameron L. Clapper, City Manager
City of Whitewater, Wisconsin

BID FORM

The City Council
City of Whitewater, Wisconsin (the "City")

May 19, 2022

RE: \$8,350,000* Waterworks and Sewer System Revenue Bonds, Series 2022B (the "Bonds")
DATED: June 9, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$8,245,625 nor more than \$9,185,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2023	_____ % due	2030	_____ % due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036		

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$167,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 9, 2022.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 9, 2022 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Whitewater, Wisconsin, on May 19, 2022.

By: _____ By: _____
Title: _____ Title: _____